

PARTICIPATIVE MANAGEMENT IN PUBLIC ENTERPRISES OF INDIA

THESIS

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DEDICATED
TO MY
BELOVED PARENTS

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PREFACE

The demand for rapid economic growth and social and political awakening forced the policy makers to devise mechanism not only to maintain industrial peace and harmony but also to establish industrial democracy in the country. Now a days, labour is not considered as a commodity but a human factor requiring human environment and consideration so essential for industrial development.

In a developing economy, like India, the preservation of industrial peace is of vital significance for accelerating the pace of economic growth, social security and political stability. Such aims could only be achieved if worker's role in framing, executing and implementing the policies is not only fully recognised but actually practised. In this regard, participative management is considered as a unique tool in establishing and ensuring continuous industrial peace and minimising industrial unrest to a maximum possible extent. This will, in turn, ensure necessary efficiency in the economy of the managed units resulting in increased industrial production and prosperity of the country.

Not much study has been made to examine the working pattern of the prevailing participative scheme and then identification of the participatory needs of the workers in Public Enterprises of India. Here an attempt has been made to examine the Indian experience with Participative Management in Public Enterprises on the basis of a case study of Indian Telephone Industries Ltd., Naini, Allahabad, to find out the existing state affair and to develop future guidelines.

The study is based on primary as well as published secondary data. For the purpose a sample of three categories of respondents was drawn - one of 200 mass of workers, second of 30 workers representatives and third of 30 management representatives of I.T.I. Ltd. Naini Allahabad. For eliciting necessary information, three separate interview schedules were used, one was for the mass of workers, second was for the workers' representatives and another for the representatives of the management. The data so obtained have been tabulated, duly analysed and necessary conclusions have been drawn which have formed the basis for findings. In the end, the recommendations have been given, which, if implemented, would certainly improve the situation, in this regard.

This study I am sure would help those concerned with industrial organisation in understanding the problems and prospects of participative management in public enterprises of the country.

I have no words to express my deep sense of gratitude and indebtedness to my learned supervisor Dr. Jagdish Prakash, Professor in Commerce & Business Administration, and Dean, Faculty of Commerce, University of Allahabad and Director, Institute of Public Enterprise Research, Allahabad, for his inspiring guidance, motivation, unflinching support and encouragement.

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I shall be failing in my duty if I do not express my indebtedness to my parents and all family members without whose continued support and all sorts of help it would not

have been possible to complete this work.

I express my special thanks to the workers, manager authorities, leaders of Trade Unions and all other concerned persons for their valuable cooperation in furnishing necessary information to me relevant for this study.

My heart goes out to my wife Nishi for her cheerful putting up with me during all odds and for giving me most needed inspiration in accomplishing this task.

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Santosh Kumar

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CHAPTER 1

INTRODUCTION

INTRODUCTION

Changes in productive methods bring about changes in socio economic structures¹. To achieve the organisational goal, it is necessary to consider the intervening factors which affect the rate of industrial growth and economic self-reliance. Efficiency and productivity can be increased if we carefully try to understand human nature and exploit it to the best use. The emerging trend in the industrial philosophy is towards a greater realisation of the fact that for the perfect attainment of industrial socialism, it is of utmost importance to have the wholehearted co-operation of human factor, which is employed as workers in an enterprise. The human approach, so far, focuses on persons and personalities of its members and aims at realisation of individual goals through job enlargement/enrichment and democratization of decision making structure.²

S.S. Mehta rightly pointed out that "throughout the industrial working world there has been considerable growth in recent years of the interest in human relations in industry so that management may treat their workers as individuals who, however, low in origin, are entitled to dignity and fair

treatment.³ It has been accepted that mutual understanding and co-operation between management and workers can provide a solid foundation for progress of industrial units and that of the country.

Participation, in general, is dealing with human beings. Since the beginning of 20th century it has become every body's realisation that a worker is not a marketable commodity but is a self-respecting human being. The Clayton Act of 1914 boldly declared that 'Labour is not a commodity or an article of commerce' and thus gave it due recognition thirty years later declaration of Philadelphia adopted by the International Labour Organisation in 1944 upheld personality and dignity of the individual.⁴ It has been increasingly realised that the workers have feelings, emotions and aspiration, like all other human beings and strive to fulfil them through the instrumentality of work from which they not only make their living but also self-satisfaction. A man brings more to a factory than the work of his hands. He brings a part of his life - he lives it there - with all its biological social and psychological concomitants. He seeks satisfaction and meaning in that working life just as he does in his life as a citizen. According to Gandhiji, "a worker is not merely a mean of

production but is essentially a human being with a personality having a sense of responsibility towards his family, the industry and the nation". He, therefore, desired not only the economic uplift⁵ of the worker, but urged upon him (the worker) the necessity of being a dutiful husband, a good neighbour and an intelligent citizen capable of exercising his vote in a judicious way. Thus, Gandhiji desired overall development of personality of the worker by awakening in him his innermost feeling of self-respect and desire for progress. In brief, there is a dire need of recasting and remodelling the image of worker in industry and thereby the whole philosophy of human relations.

According to V.V.Giri⁶ full recognition has, therefore, to be given to this human factor if the co-operation of workers is to be obtained. The broad drives that influence human conduct are as follows:

- i) A man's sense of dignity, his conviction that he has basic human rights that other must respect;
- ii) The need for the esteem of others;
- iii) The basic instinct of survival, this requires assurances that a man and his family can obtain food, clothing, housing and other essentials of most modern decent

standard of living;

- iv) The desire of security; and
- v) Social instincts.

To virmani, elements like attainment of minimum living standard, control over one's affairs, full utilization of one's capacities and capabilities, occupational and social developments and participation in economic, social and political matters are to be met, if the work place in industry is to be maintained and humanised.⁷

Friedman has observed in this connection that "The industrial organisation of business and labour have long ceased to be a private phenomenon that they have a direct and decisive impact on the social, economic and the political life of the national and is no longer a matter of argument. The challenge to the contemporary lawyer is to translate the transformation of this organisation in legal terms. In attempting to do so, we have to recognise that the labour should currently exercise vast powers."⁸

In the past few years, certain western countries have witnessed a remarkable change in the nature of relationship between management and workers. The most striking phenomenon

has been the change in the real sense of co-operation between the two faction of industrial enterprise, i.e. management and workers and the emergence of a new concept of industrial relations. An industrial organisation can properly be termed as a social world in miniature embracing within itself the association of divergent interests that create industrial relationship. Apart from the economic functions of production and employment, this association affects the economic, social and political life of the whole community also. The centre of these relationship being the economic development, the economic system not only gives a pattern to industrial relations but also effects the social order.⁹ In this order, the man, his contribution in production and the return for his contribution are three significant points. By social morality created by contemporary ideals and notions of social philosophy, this industrial order revolving in these three points gradually develops into a social order in which not only individual personality is fully expressed but social vitality is also increased. Thus, the change brought about by the industrial revolution call for the reorientation of industrial philosophy and structure of framework of an industrial enterprise.

The traditional concept of employer and employee as master and servant became outdated because the development of social thoughts that propogate for a new philosophy in which obedience is no longer based on fear and caution but on co-operation, enthusiasm, a willing efforts and idea of partnership.

Presently, autocratic management is being followed in most of the institutions and to eliminate these proletarian conditions of the working class, then socio-ethical aspects must be borne in mind. This class should be able to rationalize at the optimum level all the potentialities of its environment and to subordinate them to its social interest. Limiting his social aspirations to the progress of economic standards only is not required. As a matter of fact, without proper understanding of the workers' aspirations and their fulfilment, it would not be possible to achieve organisational ends, unless unexplored enthusiasm and spirit of the man associated with the organisation is properly utilized.

Evolution of the Concept of Participative Management:

Participative management is not a new phenomenon of industrial relations. It has long history of evolution. The concept of participative management has been brought into

light after Industrial Revolution. Gradually, its importance has increased. The workers' participation is interlinked with the institution of owners and workers. Before industrial revolution, in feudal system the enterprises were of very small size and relation between the owners and workers were very cordial and familial. Owners took paternalistic interest in the employees and there was mutual understanding between them.

The era of Industrial Revolution (1750-1840), the modern technology and scientific invention in various kinds of machines revolutionised the whole process of production with the help of steam and electrical energy. The second phase of wide-spread various developments intensified and revolutionised whole organisational system. This change affected the relationship and interest among the owner and workers. Consequently, management was separated and alienated from workers totally. The concerns of factory organisation were basically linked with economic growth rather than social obligations. Workers and their work were considered as a hired instrument of employer, for certain task of achieving the economic goal. The paternalistic relations and familial approach had been transformed into mechanistic and alienated

relations. The recognised workers became merely as a tool of production and eventually suffered from the feeling of insecurity, frustration and loss of identity among them. The alienated attitude of management created the wide demarcation among people, i.e., into two classes - 'Haves' and 'Have-nots'. Thus, the class-culture resulted in socio-economic exploitation of the 'have-nots'. This socio-economic exploitation gave birth to various theories and philosophies to protect and to elevate the status of the workers. It subscribed often to its participation or its complete control over the ownership and the management of the enterprises. The earlier sociologists, like Saint Simon (1760-1825), Charles Fourier (1772-1837) and Robert Owen (1771-1859)¹⁰ raised serious questions on the issues concerning workers' status in the industrial organisation and clearly felt and agreed some power was to be shared to the wage earners to prevent them from being exploited by the management. Further the contribution of the group of thoughtful academicians¹¹, viz., Utopian Sociologists in France, Fabian and Guild Sociologists in Britain, Social Democrats and Communists in Germany and Trade unionists and Human Relationists in United States is unprecedented. They encouraged idea of harmony and peace and

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mutual trust in industrial development.

Later, Karl Marx revolutionalised the whole idea and advocated for complete socialisation of production as the only method of putting an end to the concentration of wealth and power and to exploitation of workers by owners of capital. According to him, all these enterprises are owned by the State and the workers themselves constitute the management, hence, there is no basis of workers' participation. Thus under Marxism this approach takes the colour of workers' control rather than that of workers' participation as it treats workers as management. Later on, Marxist concept was reviewed, revised and diluted by the great syndicalists like Sorale (1847-1942) and Pollentir (1856-1901). They emphatically stressed on the growth of radical 'trade union' activity rather than political revolution to achieve absolute control of workers over industry. France was the original home of syndicalism, blending Anarchist communism with that trade unionism in its most popular years (1910-1920). This doctrine was responsible for movements for workers' control in countries as far apart as Norway and Australia¹². Although there was no uniformity in the movement as it developed in these various countries, one common feature was the demand for

public ownership of industry together with a system of joint control by representatives producers and consumers. When this would happen, working men and women would be free and not slaves to their capitalist boss. They would be able to develop cooperative relationship which would help in making work a pleasure.

Several sociologists also contributed substantially for the promotion of industrial socialism. Growing phase of modern industrialism made increasing existence of capitalism and thus had to be reshaped and re-organised industrialism itself to give the workers control and share in the ownership and management of the industry. Democratic control and management of industrial enterprises became the living philosophy which later on, turned into an ideology of "workers' participation" in management.¹³ There were two other notable factors which helped the emergence of the concept of participative management. Firstly, since the beginning of the 20th century it has become every body's realisation that a worker is not a marketable commodity but is a self-respecting human being. The Clayton Act of 1914 boldly declared that worker is not a commodity or an article of commerce and thus gave it due recognition. Thus, during the first world war it was being,

undoubtedly, admitted that by collective efforts of the State, employers and trade unions it would be possible to bring workers and employers together and their differences would be to resolved through their joint committees. Most probably shop steward system of workers' representatives dealing with the management over constantly recurring managerial issues.

Secondly, as the management separated from entrepreneur and encouraged for professionalization, it firmly preserved the efficient functioning through the constant consultation with people working at different level in the enterprise.

In fact the seed of participative management was sown immediately after the cessation of the world war as a result of treaty Versailles and the establishment of the International Labour Organisation in 1919. ILO stepped into a new phase of realising working men in the industry as the human beings. The latter was founded under the influence or workers' right to organise which was accepted by all the nations who were members of League of Nations.

Appointment of the Royal Commission on labour in 1929 was another notable development. The Commission gave its report in 1931. The Commission made a series of recommendations

including the participative management. The commission also recommended the establishment of a Joint Machinery for settlement of industrial disputes. The following excerpts from the Report would make it clear:

"The proved lines of organisation should include, not only some joint committee or council within the industrial establishment but also a large body, representative of both sides of the industry in the centre concerned. The smaller body can be identical with the works committee where that is vigorous, or it can be separately constituted, and would deal with disputes affecting the single establishment. The larger body would deal with more general questions and might also act as an advisory appellate body in respect of disputes which are concerned to one establishment.¹⁴

The Declaration of Philadelphia of 26th May, 1944 adopted by International Labour Organisation, upheld personality and dignity of the individual and this declaration also speeded up the process of development of the idea of participative management. It, inter alia, laid down:

1. that labour is not a commercial article
2. that freedom of expression and association are essential to sustained growth and development of industry.

3. that poverty any where constitutes a danger to prosperity and reduces productivity capacity of workers.
4. that the war against want requires to be carried on with unrelenting vigour and efficiency.

The declaration of philadelphia was duly and fully hailed by all member countries of international labour organisation and they adopted it unanimously. Thus, the declaration reaffirmed freedom of expression and association essential to sustain progress as one of the fundamental principles. The formation of join labour management committees or scheme of join consultation for the establishment of labour management cooperation or workers participation in management was made obligatory for the member countries.

Various schemes of participative management, like, 'Joint Production Committees', is Scandinarian countries i.e. Norway, Sweden and Denmark, Joint work committee in France codeteremination in West Germany, collective bargainning in USA, Hisadruf Experiment in Israil and works committee, JMC and Plant and shop councils in India etc. have been emerging and working established due cooperation between employees and employers. It was also found that such joint decisions developed feeling of egalitarian among the management and

workers by sharing power of management of decision making.

The governments of various countries also have been passing necessarily legislations in support of schemes or related to participative management efforts¹⁵ have been made to give representations to the workers even on the boards of directors, specially in case of public enterprises. India has also not been lagging behind in this respect and have been making concerted efforts in this direction with the support of suitable legislation.

Growth of Participative Management in India:

In India, which is one of the founder member of ILO, the movement for industrial democracy started and gained momentum along with the movement for independence from alien rule. Mahatma Gandhi has been the champion for the cause of labour and tried hard for their betterment and for that he wanted workers to share power with the owner. His concept of 'trusteeship' is far ahead of the ideas developed so far in this context. After the attainment of independence in India in 1947, it has been the declared policy of government to associate both employers and workers representatives in the consideration of all the matters affecting labour. The

government has been making efforts to apply the concept of participative management as an integral part of its labour policy. For this purpose the important bodies of a tripartite nature constituted from time to time are: (1) Indian labour conference, (2) The committee on conventions, (3) Standing labour committee, (4) Industrial committee and (5) Some committees of tripartite nature etc.

Earlier, the Royal Commission on labour (1921-31) had recommended for formation of works committee. Later, under Industrial Dispute Act, 1947 (under sec. 3) (1) it was provided for the establishment of work committee in every industrial unit having 100 or more workers to promote measures for securing and preventing amity and good relation between employer and employees. These have been set up only in 40% to 60% of establishment. Only in some cases, it has worked satisfactorily and effectively. In majority of the cases it has been existing on paper only.¹⁶

With the limited success of the experiment of the works committee the schemes of joint management councils was launched on voluntary basis without any legal sanction. The First Five Year Plan reiterated Government faith in works committees and emphasized the need for creation and

establishment of joint committees. In this context it was stated that "works committee for the settlement of differences on the spot between the workers and the management is the key of the system of industrial relations as conceived in the plan."¹⁷

The usefulness works committee was highlighted in successive five year plans. A tripartite study group on workers' participation in management set up in 1956 emphasized, among otherthings, strong and self-confident trade unions for success of any participative scheme. It also made recommendations regarding functions and constitution of joint management councils which were accepted by the Second Five Year Plan. In this context the plan provided as under:

"For the successful implementation of the plan increased association of labour with management is necessary. Such a measure would help in (a) promoting increased productivity for the general benefit of the enterprise, the employees and the community, (b) giving employees a better understanding of their role in the working of industry and of the process of production and (c) satisfying the workers' urge for self expression, thus leading to industrial peace, better relations

and increased cooperation. This could be achieved by providing for councils of management consisting of representatives of management, technicians and workers.

The pace of advance should be regulated and any extension of the scheme should be in the light of the experience gained.¹⁸

This idea was also adopted in the Government's Industrial Policy Resolution 1956 and 15th Indian Labour Conference. The relevant portion reads: as:

"In a socialist democracy labour is a partner in the common task of development and should participate in it with enthusiasm There should be joint consultation and workers and technicians should, wherever possible, be associated progressively in management. Enterprises in the public sector have to set an example in this respect."

In the Third Five-Year Plan, the need for joint management council was again reiterated and it recommended for setting up such councils in large number of undertakings and it was stated that "Joint Management Councils should be set up in all establishments in the public as well as the private sector in which conditions favourable to the success of the

scheme exist."¹⁹

Administrative Reforms Commission recommended for inclusion of workers' representatives in the Board of Directors which was accepted by the Govt. of India and tried in few public enterprises.

The scheme of workers' participation in industry at shop floor and plant level vide Govt. of India's resolution number 61011(4)/75 DK1(B) dated 30th of October 1975 under the govt.'s²⁰ 20 point economic programme has revived the interest of workers, management and administrators for building peaceful and co-operative relations for promoting common interest in the country. It has also ushered in a new era in the history of industrial relations and production process.

The scheme was applicable to those units which have five hundred (500) or more workers on their rolls. It was a two tier participation model because the scheme provided for 'shop council' at the shop and departmental levels and plant council at the enterprise level. The chief merit of this scheme over Joint Management Council is that it has a defined, limited focus and is not couched in vague generalisation.

The Government of India incorporated the concept of participation in management in the Constitution of India in 1976 and it has provided for the workers' participation in management in industry by suitable legislation in the Directive Principles of State Policy.²¹ The Article 43-A of the Constitution (42nd Amendment) Act 1976 provides:

"The State shall take steps by suitable legislation or in any other way, to secure the participation of workers in the management of undertakings, establishments or other organisations engaged in any Industry".

The object for the inclusion of workers' participation in the Directive Principles of State policy is to give due recognition to the worker and to inculcate in them a sense of co-partnership. As it is constitutional directive, so the state is under an obligation to take suitable measures either legislative or otherwise to secure effective workers' participation in management.

Worker's Participation at Shop and Plant Level:

In 1977, a committee was set up on workers' participation in management and equity. The committee favoured in adoption of a three-tier system of participative management, viz.,

corporate, plant and shop level. It also recommended workers' representative's election should be through secret ballots.

In the light of committee's recommendation and past experiences the government reviewed the earlier schemes on participative management which were introduced in 1975 and 1977 respectively and introduced a new and comprehensive scheme for the worker's participation vide resolution dated 30th December 1983.²² The scheme envisages workers' participation in management at the shop floor and the plant level in all the Central Public Sector Undertakings. The scheme also provides for participation at the Board level in some selected central public sector undertakings. The scheme has been recommended to the State Govts. for introduction in the State public sector undertakings and the private sector undertakings too have been advised to adopt the scheme.

The tripartite committee, constituted under the scheme comprising of representatives of some of the central Ministers/ State Govts., major public sector undertakings and central trade union organisations reviews the progress of the scheme from time to time and suggest remedial measures. A monitoring cell has also been created to assist the tripartite committee. The scheme has been introduced at shop/floor/plant levels in

118 central public sector undertakings.

The issue of participative management was discussed by the Indian labour conference in its meeting held on 25-26 Nov. 1986. The conference agreed in principle to the implementation of the scheme of workers' participation in management in public, private and cooperative sectors. The question whether the scheme should be implemented by legislation as also the modalities of its implementation have been entrusted by the Indian labour conference to the standing labour committee.

For this purpose the Govt. of India has been taking initiative time to time to legalised this participative scheme. In this concern recently the new National Front Government is engaged in a serious exercise to ensure effective implementation of the scheme for workers' participation in management in order to build "a socialist order that is democratic and equitable."

In this direction the first major step has been taken, a two day seminar on the subject held at Vigyan Bhawan, New Delhi on Jan 8th and 9th in 1990. In this seminar powerful politician from different parties across the spectrum were

present in full force. Also present were captains of industry from the public and private sectors, representatives of trade unions and officials. There was sprinkling of academics and inevitable foreign delegates from the USA, West Germany, Soviet Union and Yugoslavia.

For the seminar the theme paper organised by the labour ministry. According to labour and industry ministry,²³ "Democratic process and systems are coming vibrantly alive the world over, as a policy we too are seeking to strengthen and improve the functioning of institutions and mechanisms concerned with democratic governance. It is then only appropriate that at such a time we take stock of how we have fared with workers' participation in management".

Inaugural function of the seminar Sri V.P. Singh, the then Prime Minister called for a sea changes in old concept and attitudes and said that true democracy could flourish only through total involvement of workers and management in decision making. Describing the limited success achieved so far in participative management scheme he announced that a legalisation would be introduced in the budget session to give it a statutory effect. In fact he went on to say that the

workers to have a share in the equity of their respective enterprises.

For this purpose two conferences were held. In this conferences labour ministry favoured the need for statutory framework for providing workers participation in management at all levels. The labour ministry also told the conference that a bill on workers participation in management would be introduced during the current session of Parliament with an indication that "it may be given a statutory basis". With the change in the Government at the Centre and change in the economic and labour policies, the emphasis upon participation management has slightly been lesser, as the structural adjustments in the economy has created new problems before the labour.

OBJECTIVES OF STUDY:

The choice of the subject of workers' participation in management with particular in Public Enterprises of India has been on account of the fact that although the scheme of Participative Management is very much in vague today in public enterprises of India, yet it has not attained so far the final shape and focussed its objective purpose. So the aims of this study is to get clear understanding of concept of

participative management, study the experience with its implementation in India and ponder over what went wrong and where and then suggest measures for restructuring the present mechanism to make it more effective.

As sufficient time has passed since the introduction of this scheme, the present study proposes to investigate the percepts and practices of participative management in Public Enterprises of India. In the broad perspective, this study endeavours to achieve the following objectives:

1. To evaluate the present scheme of Participative Management in Public Enterprises of India.
2. To find out the perceived extent of participation as accepted by management representatives in public enterprise.
3. To examine the extent of existing and desired participation of workers and their representatives in different types of decisions.
4. To interpret the participative management and examine various parameter for its successful operation.
5. To analyse the reasons for ineffectiveness of this scheme.

6. To investigate the forums of workers' participation in management as preferred by the workers, their representatives as well as management representatives.
7. To identify the major barriers for the promotion of workers' participation in management in Public Enterprises of India.
8. To make recommendations and suggestions for the improvement, modification and successful implementation of this scheme.

STATEMENT OF THE PROBLEM

Poor labour management relations occur due to increased amount of conflict hostility and cut throat competition between the management and the managed. Resentment over the management decision in an industrial organisation leads to workers dissatisfaction. Innovation and new management pattern are required to overcome these problems. Development of mutual trust and confidence between management and workers is necessary for the interest of organisation and society.

The highly industrial advanced countries indicate that without active collaboration and co-operation of workers, winning of their confidence and a change in the attitudes of the parties concerned, socio-economic transformation becomes

difficult. The appropriate means for the maintenance of sustained relationship between workers and management is giving workers an opportunity to participate in the management of the organisation.

Participative management in Indian organisation is not yet as developed as it should be. Because this participative scheme is not legalised by the government and there are no other scheme except works committee, Joint Management Councils and 1983's two tier scheme workers are not given any sort of opportunity to influence managerial decisions. Although many schemes have been introduced in this connection but the analysis of its working pattern shows that these scheme have failed to maintain amicable relation between management and workers. The experience of works committees in Indian enterprises serve as a background to the establishment of Joint Management Councils and after 1983's two tier scheme of workers' participation at shop floor and plant level. The scheme of participative management worked through shop floor councils and plant level councils and represents Indian approach to industrial democracy. But the idea is a comparatively old one, and the experiment is admittedly of recent origin.

Despite the enduring demand of workers that the opportunity to participate in the management of the industries ought to be given to them, neither the management nor the government seems to worry about it. As the management of Indian enterprise except a few, are non professionalised, they rather believe in their own capacity and are averse to share authority. Due to the fact of non-recognition of workers' say in the management, a large number of Indian enterprises are not making progress and consequently resulting in frequent strike, work stoppage, slow down and increased absenteeism.

In India, Public Enterprises bear major pressure of these threats. Unless and until the participatory needs of the workers are identified, any methods enforced for workers' participation would not succeed to maintain harmony of relationship between the parties and thereby contribute for the over all industrial development.

The aforesaid analysis viewed that the present study acknowledges to seek the answer of the following questions with reference to the Public Enterprises of India:

1. What type of attitudinal changes should be there on the part of both management and the workers?
2. What are the factors leading to poor performance of works

committee, Joint Management Councils and shop floor and plant level councils?

3. Upto what extent are the works committee, Joint Management Councils and shop floor and plant level councils able to meet participatory needs of the workers and management?
4. In what forms should the participation be there should it be of advisory nature or of the decision making type?
5. Does there exist ^{any} discrepancy between workers extent of perceived existing participation and the extent of desired participation in different types of decisions?
6. What is the extent to which different workers want participation in different types of decisions?
7. To what extent do the managements accept participation?

Hypothesis:

The present study is explanatory and descriptive in nature, however the following hypothesis are formulated so as to provide a general frame work of the present research:

1. Employees' urge for participation in management is likely to be influenced by their social background and their status in the organisation.
2. The effective and successful functioning of the

participative management is likely to depend upon the orientation for participation of the workers and the managerial personnel involved in it.

3. The extent of participation of workers' representatives in functional management as well as the joint councils has been higher as compared to that of the management representatives.
4. The mass of worker has more urge for participation in the management, the managerial personnel but less than that of their representatives.

RESEARCH METHODOLOGY:

The present study aims to examine Indian experience in the field of participative management in public enterprises of India. For the purpose, one unit of public sector I.T.I. Ltd., Naini has been selected. I.T.I. Naini a public sector unit is a manufacturing unit of telecommunication equipments. It was established in the year 1971. It is a unit of Indian Telephone Industries Ltd., Bangalore, which is the first public undertaking of India after the attainment of independence. I.T.I., in the initial stage, had staff council as mechanism of participative management but later on it switched over to two-tier mechanism in the year 1983 after the

announcement of this scheme by the Government of India. Indian Telephone Industries Ltd. are not only one of the large public enterprise but it also plays a pivotal role in the socio-economic development of the country. Thus, this unit had sufficient scope for participative management.

The study is based on an opinion survey of both the actors in participative management i.e., workers and management. For the purpose of the study, the whole unit has been classified into three categories, viz., Management Representatives, Workers' Representatives and Mass of the Workers with their respective size of 30, 30 and 4692. The number being small in the first two categories, the complete enumeration was utilized to collect information from the Management Representatives and Workers Representatives on the Functional Management Councils and Joint Management Council. On the other hand a proportionate stratified random sampling procedure was adopted to take a sample size of 200 workers, constituting the third category of the population. The sample covers a wide range of factory workers, i.e., from the lowest or unskilled to the highest or skilled cadres and from the lowest paid to the highest paid. To solicit the opinion of the whole unit, three questionnaires have been framed - one for

workers' representatives, second for management representatives and the third for mass of workers. In case of ambiguity, interview was sought with the person concerned to seek necessary clarification.

Some secondary data, published in various reports of this unit, have also been used but basically the work is based on the opinion survey conducted by the researcher.

Limitations of The Study:

The researcher is conscious of the following limitations of the present study:

1. The limitation of bias in the opinion given by the management personnel towards workers and those given by workers and their representatives in response to the questions asked during the interview can not be said to be marginal.
2. Because of the limited published materials, the researcher had to rely substantially on the information brought from the official records of the undertaking. They are supposed to be correct in the absence of any tools to vouch them.
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management and workers in one public sector unit. This unit alone cannot be said to be representative of all public and private sector units.

4. Another limitation is that of the period covered. In this study, we have covered only three years period.

It is hoped that inspite of these limitations, the present study will indicate the trend and shortcomings and provide valuable guidance for restructuring participative management in India to make it more meaningful and successful.

PLAN OF THE STUDY:

The present study is divided in six chapters. In the first chapter, introduction of participative management has been discussed. The second chapter deals with the concept of the participative management. In the third chapter, a critical and historical analysis of development of participative management in foreign countries have been presented. The fourth chapter deals with the evolution of participative management in India.

The next two chapters present the findings of the empirical study conducted by researcher. The fifth chapter participative management in Indian Telephone Industries Ltd.

Naini - A case study has been discussed. Chapter six presents concluding observations and recommendations for restructuring the present system of participative management to make it more effective.

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CHAPTER 2

CONCEPT OF PARTICIPATIVE MANAGEMENT

CONCEPT OF PARTICIPATIVE MANAGEMENT

Participative management is a dynamic concept which occupies significant place to achieve the organisational goals. The main object of participative management is to seek association of those engaged in production. Various political ideologies economic conditions, socio-cultural patterns, management philosophies and goals of respective organisations lead to various interpretation of this concept and, thus, it varies from place to place, people to people and from time to time.

The creation of democratic structures and institutions in the working of industry is differently defined by different academicians. The sociologists¹ view it as an instrument of varying potentialities to improve industrial relations and promote industrial peace. A mental and emotional involvement of a person in a group situation is perceived by the psychologists as participation. They assert that participation is a psychological process by which workers become self-involved in an establishment. The economists' view is that the higher productivity of labour and utilization of collective experience of workers form the real basis of participation lawyers think that it is a legal obligation upon the

management to permit and provide for involvement of workers through proper representation at all levels of management. Political scientists regard it as an institutional arrangement to reduce the intensity of class feeling and develop democratic ideals as a value in themselves.

According to IJLS², "Participative management could be defined as In practice which increase the scope for the employers' share of influence in decision making at different tiers of organisational hierarchy with concomitant assumption of responsibility. Wall and Lischern state that "Participation refers to influence in decision-making exerted through a process of interaction_n between workers and managers and based upon information sharing.³ The above definitions manifest the requirement of three interconnected components to exercise participation in decision making process, i.e. "Influence", "Interaction" and "Information Sharing".

"Influence" means proper understanding of the aspirations, willingness and feelings of both the parties involved in arriving at a decision.

'Interaction' represents the endeavour of the parties involved in trying to reach at an agreement by working

together rather than through a recourse to a balance of power based upon the exercise of sanctions.

The nature of worker's influence and the form of interactive behaviour in decision making is chiefly governed by the amount of information communicated to the workers.

The philosophy of participative management represents an environment in which the people are emotionally and mutually involved in a situation that encourages positive contribution to organisational objectives. Kieth Davis observes participation as 'a mental and emotional involvement of a person in a group situation which encourages him to contribute to group goals and share responsibility among them.'⁴ In this definition the author indicates that there are three factors of workers' involvement in management of the organisation which are as follows:

1. The first factor in participation is mental and emotional involvement which indicates that management should not merely take general opinion of the workers but should involve them in decision making.
2. The second factor in participation is the question of mutual contribution, i.e., the workers should have the

right to make their own suggestions to arrive at any decision instead of being merely consulted.

3. The third and final factor in participation is the element of responsibility in an activity which indicates that workers must take joint decisions as their own decision and must strive for its implementation.

According to V.G.. Mehtra, the concept of participative management is sharing the decision making power by the rank and file of an organisation through their proper representatives, at all the appropriate levels of management, in the entire range of managerial action⁵ Zivan Tanc considers participation either as posing limitations of management's authority or as an attempt at substituting it for the power of employees. So it is rightly pointed as 'a political form of economic power and it is found on a democratic principles.'⁶ Poole take participation as a principle means of obtaining greater control by workers over several aspects of their working lives and in so doing arguing their power vis-a-vis that of management.⁷

The above definitions explain that equitable division of organisational-decision-making-power and authority among the workers and management are pre-requisite for participatory. In

this context, participation has been dealt with power centered approach which embodies the co-decision and co-determination rights of the workers in any type of issues either economic or social or personnel. These definitions mainly attempt to emphasise two dimensions of participation. Firstly, they consider the ideal of participation as a device of increasing job satisfaction, and with it increase productivity and, consequently improve industrial relations thereby facilitating for the attainment of managerial objectives of the enterprise. Secondly, participation is considered as extending bargaining power of the workers within the enterprise and at making managerial-decision-makers more accountable either to the unions or directly to the workers. Its main objective is to change the fundamental authority-relationship in industry as a means of changing the character of society.

Espinosa and Zimbalist study⁸ participation from three approaches: (1) ethical-philosophical approach relates to the workers' position in the society and is concerned with the process of human development and individual self-realisation. (2) Socio-political approach views participation in terms of desirable distribution of economic and political power among social classes in the society and (3) technico-economic

approach, that looks participation as a means to increase workers' productivity or efficiency in general.

Fox refers participation as a "procedural orientation" and offers an excellent account of possible levels of workers' involvement.⁹ According to him, workers may seek the right simply to be informed of proposed decisions in the hope that their reactions may be taken into account, or to protest against unilateral managerial decisions or to participate jointly, indirectly or directly through representatives in the management so as to acquaint them with management principles and enforce them. H. Ramsay quoted that "participative management actually recognises the desire of the workers for a say, an involvement, and control over and understanding of the decisions which affect their lives."¹⁰ Clark and others describe participation as "including any process whereby workers have a share in the reaching of managerial decisions in enterprises."¹¹ Whereas, for Elliot it means workers "claiming rights to have a great say over matters affecting their working lives".¹² The commission of Industrial Relations describes that participation as a "situation in which workers take part in managerial decision making".¹³ In this concern Sawtall has same view that "participation of workers' mainly

concerns with the issues related to managerial decisions, which affect their work efficiency and using atmosphere".¹⁴

To sum up the views of the above definitions regarding participation as a procedural orientation, participative management may be termed as a process of a wide shift from individual influence to mutual influence, from obedience to confidence, from imposed decision to decision by consensus and the transformation of the role of the leader rather than that of a decision maker to that of a decision leader.

Thus participative management is an arrangement or practice in industry which provides scope for employees to influence the decision-making process at different level organisational hierarchy with sharing of managerial authority and responsibility. The essence of participative management is that it gives scope for workers to influence the decision-making process.

There are three important elements of participative management which serve instruments to achieve its objectives. These are:

1. Group Decision Making : Decision making is not an exclusive domain of managers in participative management. Non managerial

employees influence decision making by actively participating in the process. Thus decision making becomes a group activity. There is a high degree of interaction with both individuals and groups. This interaction is friendly with high degree of confidence and trust.

2. Accurate and Complete Measurement : In participative management 'Self control' and 'Self direction' are widely practised. The concern for performance of control function is felt through out the organisation and not only at the top level. Usually there are strong pressure to obtain complete and accurate information to guide our behaviour and behaviour of our and related work groups. The result is that information and measurement tend to be complete and accurate.

3. Information Sharing : There is free and full information sharing between managers and employees. Employees are given information not only on current situation but also on proposed changes so that they can visualise the future themselves. In participative management communication is not only 'downward' it is multi directional: downward, upward and with peer and it is initiated not only at the top but at all levels. Thus complete and accurate information, based both on measurement and efficient flow of information, is available.

Thus, the aforesaid definitions lay emphasis on various different aspects of participative management. But the emphasis of these definitions describe the participative management as a system of communication and consultation - either formal or informal - by which the employees of an organisation are kept informed about the affairs of the undertaking and through which they express their opinion and contribute to management decisions with a view to achieve the goals of the organisation more effectively.

Basis of Participative Management :

Participative management depends on three basis which are economic, psychological and social.

1. The Economic Basis: It implies is te willingness of the employer to accept worker's claim on the ground that the workers substantially contribute to the prosperity and productivity of enterprise and justice demands that the economic benifits must be shared equally. The Economic basis of participative management is mainly related to productivity aspect of the organisation. It is an accepted fact that unless there is increase in productivity, economic prosperity hardly can be achieved and this purpose cannot be accomplished without whole hearted co-operation between workers and

management. It is true that the productivity¹⁵ is the key factor of the nation's progress. It is necessary for maintaining industrial relations, it is desirable to evolve measures of better term of employment, good conditions of service and among others to provide better social security gains. In fact if such steps are taken it would definitely bring industrial harmony and peace.

2. Psychological Basis : This basis of participative management recognises the full importance of the human element in the industry. It must be realised that workers nourish a desire to be partner in the matters and affairs of industry. There exist in the worker's mind an urge for status and importance in the organisation in which he works. If he can be made conscious of this fact that his purpose of work is linked with the broad purpose of enterprise. This feeling makes him a proud link in the organisation and motivates in him to co-operate. This human desire to co-operate is the most promising source of productivity.

Psychologically man nourishes a sense of dignity and has status that has to be preserved to ensure co-ordinate efforts to raise productivity. The man has social instinct, a desire

to associate with his fellowmen and develop a team work in common undertakings. Participation exists only if the industry looked upon not as a private affair of the employer but as a social entity in which the employer, employees as well as the community and nation have equal interests such interests being interdependent. Production and efficiency can only be bad if there exist a happy relation among them all. To this end both must have a feeling for cause and spirit of give and take and develop a sense of unitedly for the prosperity of this industry. Thus psychologically participation provides for integration of worker's interest with that of management by making worker judiciously share the joint productivity in the production of which he is "investing not his money but his life".¹⁶

Participative management also encourages workers to accept responsibility in their group activity. Kieth davis, rightly defined participation "as a mental and emotional involvement of a person in a group situation which encourages him to contribute to group goals and share responsibility in them." Acceptance of responsibility is a psychological process by which workers become self involved in enterprise and want to see it working successfully. When they talk about their

organisation, they begin to say 'we' and not 'they'. Thus participative management helps workers to become responsible in their work and idea of getting workers in the spirit of them is the key step in developing organisation into a successful work unit.

3. Social Basis : The social basis of participative management recognises its inference from the socio reality of industrial organisation. It is submitted that, the industrial production is determined by a state of elaborate and rigid technical principles and rules of work. In such a framework, individual initiative is limited and workers take increasingly less part in the regulation of production, organisation of production accordingly losses its importance at the plant level and creates importance at global level. In this point of view, organisation of means of production and working conditions acquire some social aspects. For this, participative management would be possible only if it is extended to the level of co-ordination of similar branches of industry and to regulation of working conditions. Such an approach considers participation as a framework of total organisation of production. It starts from the hypothesis that individual production should progressively be subordinated to general

organisation of production in term of social conceptualisation. The crucial problem of management of an organisation is to get good results through others. F.W. Taylor is regarded as the originator who put forward a theory of achieving the efficient results and he called it as a 'scientific management'. According to Taylor, men were driven 'by the fear' of hunger and 'surch for profit'. Therefore, they could be motivated for peak performance through economic inducement and material rewards.¹⁷ Adam Smith's organisation theory insisted upon the division of worker into simpler components. Subsequent thinkers, however, discarded the validity of the classical motivation and organisation theories, and put forward a new philosophy which was called as human relation approach. This approach revealed the importance of communication participation and leadership in the management of organisation. Social thinkers and experts like Comte and Owen emphasised participative management for achieving social and natural justice. The social purpose of participation is to use it as an instrument of varying potentialities to improve industrial relations and to promote industrial peace and harmony. It has not only to reduce industrial contention, 'but also be create positive conditions and atmosphere in which this peace be preserved and made to develop.

Worker's Participation - A Trans National Concept.

'Participative management' assumes different shades in different industrial economies and is used interchangeably with 'Labour Management Co-operation', Workers' Participation in Industry, 'Co-determination'. In West Germany, there are works councils and co-determination committees with extensive powers. In the United States, union management co-operation operates through collective bargaining agreements. In Britain there are Joint Consultation Committees who have advisory powers. In Yugoslavia, an elected Workers' Council and a Management Board run the show under 'self-management scheme' - a scheme where employees have all the power. In India the system of labour participation in management is being developed to suit Indian conditions.

Certain features emerge out of the above said systems operating in different countries :-

- (i) All the countries are keen to continue with their schemes and improve upon them,
- (ii) In most countries, a certain amount of governmental support is helpful in promoting the participation,
- (iii) It requires time and patience to obtain a degree of reasonable progress,

- (iv) The expectation from the participation should not be unrealistically high; and
- (v) Most importantly, workers' participation in management is possible only through their representatives. Any attempt to weaker union would inevitably invite their hostility and jeopardise the objectives.
- (vi) It requires a strong trade union with enlightened members and leadership, who have positive role to play.

Objectives of Participative Management:

Participative management can be built on solid foundations if it takes into account the needs of workers and what the management wants to them. The objectives of participative management mainly vary in perspective in the manner the 'participation' has been viewed. The management may consider participative management as a means to maximum production with the minimum wages bill, while workers and trade unions may regard it as means to increase their security or wages. Government may assume it as the right way of maintaining industrial peace and harmony and increase productivity simultaneously. In this sense participative management serves mainly three objectives which are - social, economic and psychological. The social objective of participative manage-

ment is to reduce industrial strife and thereby promotes industrial peace and harmony. The economic objective of participative management strive not only to ensure to increase productivity but also to allow workers the equitable right to share the gains of higher productivity. Under the psychological objective of participative management is to secure full recognition of human element in industry so as to provide workers with freedom and opportunity for self expression.

The objective of participative management has been differently viewed by a number of academicians and learned thinkers. Some expect increased productivity¹⁸ and efficiency¹⁹ from effective forms of participation, whereas, others' emphasis rests on preventing workers from exploitation and reducing alienation²⁰ improving the quality of work life²¹, encouraging the growth of the subordinates and their ability to accept responsibility²² and developing mutual co-operation of worker and management to maintain industrial peace.²³

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G.C. Narang²⁴ observes the participative management aims at the following:

1. Human growth.

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2. Develop sense of belonging and be in picture of organisation.
3. Building of social environment for human growth.
4. Facilitate reduction of the top heavy character of decision making by redistribution of power, authority, information and decision points.
5. Lead to better and effective communication between workers and management.
6. Training in effective leadership sharing for organisational effectiveness.
7. Enhancement of dignity of labour.
8. Development of group culture at grass root level.
9. Satisfaction for material gains as well as psychic gains.
10. Create forum for interest related issues.

The objectives of participation depending upon the prevalent social order from country to country, from region to region and even from organisation to organisation. For example, in Yugoslavia, the major objectives of self-management are overcoming human alienation resulting in division of labour, over-specialisation and fragmentary work leading to the crippled work as Marx put it.²⁵ The main objective of participation in West Germany is the introduction

of socialism through democratic means and amicably resolution of conflicts without disrupting industrial peace.

The Industrial Policy Resolution of India, 1956 points out the government objective of worker's participation "... to create a socialist society, wherein the sharing of the part of managerial powers by workers is considered necessary".

According to the Second Five Year Plan of India, the scheme of participative management would attempt to achieve the following major objectives.²⁶

1. Promoting increased productivity for the general benefit of the enterprise, the employees, the community and the country,
2. Giving employees a better understanding of their role in the working of industry and of the process of production, and
3. Satisfying the workers' urge for self-expression, thus, leading to industrial peace, better relations and increased co-operation.

ILO has categorically proclaimed the objectives of 'participative management' into three groups, moral, ethical or ideological, socio-political and general economic. To quote²⁷

1. Moral, ethical or ideological considerations which are linked with the growing awareness of (a) the basic equality of man which, beyond the political sphere, should extend also to that of economic pursuit and production effort and (b) the importance of the undertaking for the socio-cultural life of the workers in general, and more particularly, their need to be recognised and associated as a community indecision which may affect their conditions of work and living within and without the undertaking.

2. Socio-political objectives, aimed mainly at applying the principles of democratic self govt. within the economy. This generally claims for what has often been defined as 'industrial democracy' being particularly stressed either where the need is felt thus to develop or strengthen democratic institutions in the political sphere by making them rest on the undertaking self-government, or in the undertakings belonging to the public sector of the economy or under the national development programme, also to supplement or to replace private entrepreneurial motivation through the association of workers in management and in the results of the undertakings. However, the social aim of some of the participation schemes is merely to achieve a closer

integration of workers within the undertaking while not interfering with the latter's public structure.

3. The general economic objects are based on the assumption that whenever people are allowed to participate in the preparation of measures and policies which they are called upon to implement, such participation may prove useful, particularly where linked with economic advantages, to reduce conflict and to enhance the co-operative spirit on all concerned. It may result, in some cases, in direct improvement in productivity/or profitability of undertakings.

All these aim at increasing productivity and bringing about overall feeling of well being which may, ultimately, improve the quality of life of every one. Because of joint association among the workers and management in resolving the emerging problems in the process of management and operation of the organisations there can be productive efficiency, industrial harmony and enhanced human relations. In fact, participative management scheme, if properly introduced, and implemented would improve workers' morale and their well-being.

FORMS OF PARTICIPATIVE MANAGEMENT :

Workers participate in management in various ways and forms. The variation is related to variation in the level of management, subject, level of participation, pattern of labour management and relationship which is prevalent in an organisation. There is also variation from organisation to organisation depending upon the level of power or authority enjoyed by managers at different levels in different types of organisations.

Participative arrangements on the basis of the nature of relationship differ at least with respect to direct versus indirect participation²⁸ where distinction refers to immediate, personal involvement of organisation members in decision making, as opposed to their mediated involvement through some form of representation. The legitimate basis of indirect participation rests either in formal prescriptions and agreements which are imposed on the organisations whereas the amount of informal relations between workers and management determines the potentiality of direct participation in the enterprise. The distinction between direct and indirect participation is similar to Tannenbaum's "informal and formal" participation, walker's living and structure" participation,

French's "psychological and objective" participation, Emery and Thorsud's "apparent and real" participation and Roy's "interpersonal and institutional participation."²⁹

According to K.F. Walker, forms of participative management can be classified as ascending participation, descending participation, disjunctive and informal participation. In ascending participation workers may be given an opportunity to influence managerial decision at higher levels through the selected representatives to works councils or the board of enterprise (Integrated Participation). In descending participation, they may be given more power to plan and make decisions about their own work (delegation and job enrichment). They may participate through collective bargaining (disjunctive bargaining). They may also participate informally when for example, a manager adopts a participative style of supervision or workers apply unofficial restrictive practices.³⁰

Dr. V.G. Mehtra in his research work 'labour Participation in Management' classifies the participation into five stages these are informative participation, consultive participation, associative participation, administrative participation and decisive participation, and extent of each

depending upon the quality of management and the character of employees.³¹

On the basis of internal structural properties, in various parts of the world the movements of workers have been assuming different forms. The movement of participative management assumed different forms in different countries. We find six major forms of participative management:

1. Participation Through Profit Sharing :

Profit sharing is considered as a form of participation which is especially popular in the United States. The origin of this popularity is to be found in the assumption by American management that the major problem facing workers is that of insecurity. This prevailing feeling of insecurity is a major factor influencing productivity and workers' pattern of behaviour. The American employers and managers believe that it is one of the principal determinants in worker unionization, the main object of which is to achieve security and protection. This being so, it is the responsibility of the employer to counteract this feeling of insecurity by creating a basis for identification with the objectives of the enterprise and thereby contributing towards the greater

security of the worker. Consequently the profit sharing approach, in its various plans and forms, attempts to instil in the workers a feeling of partnership in the enterprise and in its development. This feeling of partnership will encourage workers to achieve greater efficiency and to make further efforts to increase the company's, and thereby their own, profitability.

Profit sharing is the fundamental right of the factory labour like that of capital. The surplus generated in the firm is not merely the result of the efforts put by the capitalist or the entrepreneur alone. It is the result of management and the labour working together. No surplus is obtainable in the absence of capital and enterprise. Since all factors are equally indispensable, labour should get equitable share in the surplus generated, at least by physical labour put by them.

2. Participation Through Workers' Self-Management :

Workers' self management may be considered to be the extreme stage of participative management. This system is characterised by a substantial degree of workers control on the main decision bodies. The ultimate privilege for the choice of any decision is reserved with the elected representatives of the work force as they have more than fifty

percent of the power.³² The representatives of workers serve as a control element and to the management in exercising personnel and social matters. The best example of this type is provided by Yugoslavia which practices workers' self management under the act of 1950 and provides for the management of enterprises by the "work collectives". The work collective is the community of workers which is engaged directly in the production and distribution of wealth. The work collective function through (i) workers' council and (ii) the managing board.

The community of workers elect worker's council consisting of members ranging between fifteen to one hundred and twenty through secret ballot. The workers' council elects from its rank a managing board of three to eleven members. The managing board implements the programmes and policies of workers' council. The board feeds back the workers' council with the information pertaining to production, personnel, finance and marketing. Moreover, producer co-operatives where workers, owners and management equally take part in organising and managing the undertaking, are also important example of self-management and are to be found in many parts of western and eastern Europe, North-America and the Third World".³³

3. Participation Through Joint Consultation :

The term "Joint Consultation" is commonly used to cover many different types of management and worker relationships based on the understanding that the workers and their representatives do not have the authority to decide on matters pertaining to the plant or its policies. Thus, it provides a framework for discussion, exchange of views and expression of positions but the management is not obliged to accept, or to act in accordance with, the advice.³⁴ The structure and functioning of the joint consultation bodies constituted on voluntary basis greatly vary from those instituted under statutory provisions. The rights of the joint consultation bodies with respect to consultation, information and negotiation are mandated by law. Joint consultation exists in different forms in the countries of Europe, Asia and the U.S.A. These are joint council, joint plant council, joint plant committees and works committees etc. Some of countries where joint consultation bodies are constituted under statutory arrangements are Belgium, Spain, India, Finland, France and Sri Lanka. There are also many countries, such as, U.S.A., Sweden, Denmark, Norway, Britain, Ireland etc. where Joint bodies of workers and management are constituted on voluntary basis.

4. Participation Through Joint Management :

Participative management is defined as that formal framework which provides for participation by workers' representatives at the top level in the management of organisations including participation in policy decisions and controlling the implementation of these decision. In this system, workers' representatives and management are jointly represented on a decision making body with the attachment of equal power. However in the formal constitution of organs, veto right privilege and the proportion of workers' representatives differ from country to country. This type of participation presupposes a potential unity of divergent class interests and, therefore adds emphasis for co-operation in furthering the firm's economic objectives. Example of this type of participation include the co-determination programme in West Germany, Enterprise committees in France and the Histadrut's joint management plan in Israel.

5. Participation Through Collective Bargaining : Participation of trade union through collective bargaining is the predominant characteristics of the private enterprise economies which distinguishes from the relations between management and trade unions in planned economies. The most

distinctive feature of trade union participation in management is that both the parties bargain to get maximum advantage out of the other party using, if necessary, threats and counter threats like strikes, lock-outs and other direct actions.³⁵

Collective bargaining is based on the principle of balance of power. Management and the Unions representing workers are considered as to separate powers who jointly negotiate with each other the various terms of employment. Issues which are the subject matter of collective bargaining and over which the interests of labour and management are in conflict are - wage rates, number of holidays which workers want to enjoy during a year, bonus rates and working hours. Information about the company, industry and other statistical data are pressed into service in the process of bargaining but the element of power does play a part in arriving at an agreement.

No doubt, over the past years, collective bargaining has been used as an important method of influencing managerial decisions. Due to collective bargaining based on power struggle where strikes lockouts and other direct action do play a part. So these method may in long run harm the economy as has been happening in India, Britain and other countries. Collective bargaining is no substitute to workers'

participation in management. Because participation brings both management and union together and develops appropriate mutual understanding bringing about bargaining on the contrary, is based on the crude concept of power and its exercise for sectional bargaining may end up in mistrust, with holding of information and use of pressure tactics. If collective bargaining is considered as a form of participation, it will be a negative form of it, which could be injurious to the long term interest of the national economy.

6. Participation Through Job Enlargement Job Enrichment : Job Enlargement, Job Enrichment is one of the best form of participative management. In this system, workers have the power to plan and make decisions about their job. This could be through the job enlargement, job enrichment, delegation and even through supervisory style of leadership.

This participation involves changes in many aspects of work place situation for that workers directly involve for the improvement of whole working environment and physical condition of work. The most important examples are the quality of work life programmes in the USA³⁶, enrichment programmes in Scandinavia³⁷ and Britain.³⁸

There could be different forms of institutional structure of workers' participation depending upon the aims of the parties concerned. At the same time, with the change of evolutionary process of the history of enterprise as well as the social, economical, political environment and institutional structure, the participative management would continue to reshape, and to gain strength and more significance.

Levels of Participation :

The workers' participation depends on the level of management because there could be various forms of managerial decisions in the personnel, social and economic matters which have their influence on the workers of a concern. The opportunity for participation in management given to the workers at different levels would depend upon the nature of subject determined for participation and the participants involvement therein. As we know therefore three levels of management. They are Top management (Higher level), Middle management (Middle level) and Lower management (Shop level).

In case the decisions relate to the determination of basic policies like financial and enterprise's economic policies, participation would take place at the higher level. There are also some decisions which relate to the formulation

and execution of policies especially in area of social and personnel matters. In such a case the participation would take place at the middle and lower levels or shop levels.

According to Wall and Lischern³⁹, levels of participation may be of three types, i.e., distant level participation, medium level participation and local level participation.

1. Distant Level Participation : In distant level, workers take part mainly through the representative forms and their extent of participation is restricted upto the extent of consultation and thus the right to accept or reject any matters rests with the management. Mainly issues like growth and expansion of the organisation and its over all policies including major financial and economic policies are taken into account for participation.

2. Medium Level Participation : In medium level participation, a large number of workers take part or get opportunity to influence in issues like choice of personnel, recommendation for promotions, purchase of equipments and materials and training programmes concerned with a whole department, division or section. The best method for medium level participation is to constitute various committees as in

advisory nature.

3. Local Level of Participation : In local level participation, workers are given some authority to plan and take decision about their work, like job enrichment, job enlargement and delegation. In this level, decisions regarding how the works are to be carried out, how are to be scheduled, and how duties are to be located amongst workers are taken at the root level considering workers' ideas in equal footing. The degree of workers influence and the extent of their participation at this level is high.

Degree and Extent of Participation :

The degree of participation in an enterprise varies, depending upon the forms of participation initiated at the different levels. According to V.G. Mehtra⁴⁰ there are five stages of participation as informative participation, consultative participation, associative participation, administrative participation and decisive participation - the extent of each depending upon the quality of the management and the character of the employees.

At the stage of information sharing workers do not enjoy any rights of close scrutiny of the information provided to

them. And decisions are taken by the management without any prior discussion with the workers and are simply informed them, of it afterwards in consultative participation, although management sorts out its ideas, makes plan and asks workers for their views, the authority of accepting and rejecting the advice and recommendations is kept in reservation.⁴² Management under associative participation fully shares the problems with workers without any preconceived plan, but after all the talking, management makes the decisions. Though the right of accepting or rejecting recommendations and suggestions rests with management, but places the management a moral obligation to accept and implement the unanimous decisions of the committee or council.⁴² Under administrative participation, more autonomy in the exercise of administrative and supervisory powers are given to the workers with the involvement of greater degree of sharing in the authority and responsibility of management function. In decisive participation where sharing the decision making power is complete and the delegation of authority and responsibility is maximum, it is the worker whose decisions is final and enforceive.

Keith Davis⁴³ describes three degree of participation which are mutual understanding degree, advisory degree and

authoritative degree. In mutual understanding degree, both workers and management share their ideas as to understand the position and to establish a formal set of relationship. Individuals, within the range of advisory degree of participation, can help in making decisions by way of giving creative suggestions, in the highest degree of participation i.e. authoritative degree, to the ultimate power to effect decisions is reserved with the workers.

The extent of participation varies depending upon the variety of factors including the problems or issues, the attitude and past experience of the management and the worker and the development of human relations skills and the atmosphere that permeates industrial relations in general and labour-management relations in particular.

In fact, the degree and extent of workers' participation in management depends on the area of the subject provided for participation in the enterprise. In an area in which the managerial prerogative predominates, where the manager feels unwilling to permit the workers a share in the making of such decisions, managerial action involves a limited degree of participation. A situation of higher degree of participation

would be possible where the manager the problem presents to the workers and request them to help him in finding the best solution.

Essentials of Participation :

The workers' participation in management, generally, leads to an increase in productivity. Vroom⁴⁴ in his study, found out that participation in decision making leads to positive effects on attitudes and motivation. The magnitude of these effects is a function of certain personality characteristics of the participants. Like equalitarians and those who have strong independence needs develop more positive attitude towards their job and greater motivation for effective performance unlike authoritarians and persons with weak independence need who remain unaffected by the conditions. A person improves his work situation by participating in making decisions about wages, working hours and working conditions. A person who participates in making decision with his superiors is more independent than those who just obey orders. Participation thus leads to equality and this leads to greater satisfaction for equalitarians than authoritarians. Thus, greater psychological satisfaction and increased productivity is due to existence of psychological needs like autonomy,

independence, equalitarianism etc. which are closely related to social values in the society. Preservation of industrial peace is also necessary. This can be achieved if a genuine feeling of participation occurs between labour and management. But participation's financial cost must not exceed values, economic and otherwise that come from it. Employees should participate in matters in which he is interested. The participants should have capability, intelligence and knowledge and should understand one another to communicate and exchange ideas in order to participate more effectively. For the success of participation neither of the party, manager and worker should feel that it would adversely affect them.

Conditions For Success of Participative Management Scheme :

The participative management requires and pre supposes a sound industrial environment. By environment for participation is meant the extent and pace of economic development, the degree of industrialisation, the methods of production, the socio-cultural settings and political system. We cannot evolve or develop a model which may have universal application. The model to be adopted¹ should take into account the local environment, if it has to succeed.

"The emergence of a specific form of workers' participation as well as its extent of realization depends upon on the social environment, the level of economic development, the political system prevailing in the country and, above all the values held by owners, managers and workers".⁴⁵

M. Poole developed three equation models as the factors determining degree of workers control in the management. These are:⁴⁶

$$P = f (L, V) \quad (1)$$

$$L = g (E, T, G) \quad (2) \text{ and}$$

$$V = h (P, L, G, I) \quad (3)$$

where

P = workers' participation and control

L = Latent power

V = Values

E = Economic factors

T = Technological factors

G = Government action

I = More general ideologies.

Free atmosphere for participation would depend upon the 'power' of the people engaged in the enterprise and with the organisational values. The important demands related to such

power are: the economic factors, such as, the level of employment, the profit margins of the particular company, the level of competition, technological factors, such as, technical scale; the degree of complexity and education involved in any given task, structural factors, that associate with the latent power and their realisation in the form of participation and control. Similarly, the degree of political liberalization of the government determines the degree of freedom and control of the workers and employers. The major government action covers, required legislative measures, consideration of labour issues in various angles and the form of economic system adopted. The value climate in the industrial society indicates the broader ideological considerations such as religious, managerialist, socialist, democratic, libertarian and humanitarian ideals.

Any effective participative management requires supporting and conducive environment. Various factors affecting such a environment may be discussed under the following three sub-heads:

1. Participation Potential
2. Workers' Tendency to Participate
3. Management Acceptance of Participative Management.

All three heads given above are interlinked with each other. K.F. Walker, suggests that determinants of participation may be divided into two factors - situational and human factors. The situational factors determine the potential of a particular enterprise whereas the human factors cover how far and in what ways the potential in the situation is translated in reality. The human factors indicate workers' tendency to participate and management acceptance of workers participation.

1. Participation Potential :

The potentiality of participative management mainly depends upon the following principles:

- (a) The autonomy of the enterprise,
- (b) technology, tasks and conditions of work and life,
- (c) the size of the enterprise and
- (d) structure of the enterprise.

The effectiveness and efficiency of any enterprise are a function of the overall attitude and orientations of top management. So the degree of autonomy in managing the enterprises determines the extent of the potential for participative management.

A simple technology would appear to offer more scope for

workers to contribute to managerial decisions. The more complex the technology, however, the more the chief executive is forced to perform the role of a chairman rather than that of an authoritarian head.⁴⁷ However, no matter how complex the technology, workers and union will still be concerned with the results of managerial decisions and will try to influence them. Such attempts are particularly evident when management tries to make technological improvement that reduce employment or affect workers' conditions. Other relevant factors are location of the enterprise, the character of the work and the conditions under which it is performed. Such factors affect the ease with which workers may communicate with one another and the extent to which they are conscious of having common interests.

The size of enterprise may affect the potential for participation in two ways. First, legislation requiring some form of workers' participation exempts smaller firms. In this case, the size affects potential for participation through its impact on the organizational structure of enterprise. Second is that the number of workers in an enterprise affect the potential for participation, independently of technological and task factor. Smaller enterprises have less rigid

administrative and work procedures and less impersonal supervision. In addition to smaller enterprises providing greater potential for descending participation, there is more scope for extensive ascending participation to the workers, whereas in larger enterprises indirect participation through representatives is the only feasible form of ascending participation.

In the formal organisation structure, an enterprise is substantially influenced by the factors like technology, autonomy, task and conditions of work and size. In addition, environmental factors have an influence. "Enterprises in stable environments tend to adopt "mechanistic" types of relatively static, rigid and sharply defined authority structures. In more volatile environments enterprises tend to evolve "organic" form of organisation of a more fluid character better suited to the need for constant adaptation".⁴⁸

2. Workers' Tendency To Participate :

Workers' tendency to participate is affected by mainly three factors: (a) attitudes, (b) capacities and (c) perceived power.

The attitudes indicate workers' interest in various areas of management and their views on the desirability of various

forms and degrees of participation. Various aspects need to be distinguished as to ascertain workers' desirability of various forms and degrees of participation:

- i) attitudes towards works influencing certain types of managerial decisions,
- ii) attitudes towards the general idea of workers influencing managerial decision,
- iii) attitudes towards the desirability of particular forms of participation, and
- iv) workers' interest in personally taking part in various managerial functions and forms of participation.

The workers' perception and thinking about various forms of participation would depend upon the various goals which workers have set to achieve. In this connection, Report of Organisation for Economic Cooperation and Development⁴⁹ states that "workers evaluate participation schemes basically in terms of a perceived personal lay off what do I get out of it. Numerous participation schemes have failed in past precisely because the workers did not perceive any personal payoff in the participative scheme, the likely a result will be that the scheme is perceived as a management instrument or even a trade union instrument geared to union organisational

ends - which really does not serve the workers' need".

The question of what workers want concerning participation can not be regarded as permanently settled by an inquiry at one point in time. The political and economic changes which affect workers' interests. Besides, social changes such as increased education and raising expectation also abundantly influence workers' propensity to participate. Some personal attitudes like age, sex, skill, education and experience as well as the values and ideologies also dominate workers' participatory desire".⁵⁰

It has been rightly stated that the workers capacities relevant to the various functions of management, and the extent to which these have been developed by education, influence workers' ability to put their desire to participate into practice.⁵¹ To a large extent managements' attitudes and their style of handling managerial issues determine workers' capacity to participate. Some managers believe in democratic values while others have fascination for authoritative style of management. It is not very correct to think that the workers today do not possess the capacity to participate the managerial functions. Such capacities do, however, need to be

developed and focussed by appropriate training so that workers and their representatives may contribute to the maximum possible extent.

The major element determining workers' propensity to participate is the degree and extent of relative power that they enjoy to influence in the various managements' affairs. The extent of high participatory desire emerges only when they consider that they have sufficient power. So, the critical factor in this respect is the workers' perception of their relative power rather than the actual balance of power, since workers will participate when they think they have sufficient power, even though events may prove them wrong.⁵²

3. Management Acceptance of Workers' Participation :

The amount of participation granted by the management in a particular situation also depends on the attitudes, capacities and perceived power as how managers perceive participation i.e. as significant procedure or mere waste of time, their participative disposition which is influenced by their ideology, the social stratum from which they come, the past tradition of industrial relations and degree of their professionalization.⁵³ Equally enough, the managerial philosophies set up in the under taking directly characterize

the varying degree of participation.

It has been found that the relative power which managers perceive also significantly contributes to the evolution of participative culture. The power, as perceived by the management, also depends on prevailing environment, organisational structure, government's attitude, trade unions' pressure and the socio-economic conditions.⁵⁴

The ILO seminar on "Industrial Democracy in Asia" held in Bangkok⁵⁵ brought out a number of factors influencing the development of workers' participation. These are classified according to their attributes, as follows:

(I) Socio-Economic :

- need for economic growth which in turn would mean a balanced growth of all sectors (positive),
- pressures for equitable share in the fruits (positive),
- concern regarding the investment climate (negative),
- inflationary pressures caused by developments outside this country's control (negative) and,
- relative lack of education (negative).

(II) Industrial :

- current level of industrialization, the hypothesis of

being and workers' participation has better change of success in a situation where secondary and tertiary sectors of the economy are more dominant as compared to the primary (negative),

- existence of large unorganised industrial sectors (negative),
- inter union and intra-union rivalries and low level of loyalty of membership to the union (negative),
- lack of mutual trust between management and union (negative),
- influence of multi-national companies (positive and negative).

(III) Legal :

- rigid notions about employer's prerogatives (negative),
- British common Law approach by the judiciary in deciding industrial matters/disputes (negative)

(IV) Political :

- Stability of political system (positive or negative),
- stage of development of the political system towards greater democracy (positive and negative),
- government's (and society's) recognition of right to organise (positive),

- trade union link with political parties (positive or negative),
- government's recognition of equitable distribution of power/authority in spheres other than industrial (positive).

(V) Cultural :

- sense of national unity between employers and workers and among workers themselves (positive),
- changing attitudes to authority (positive and negative),
- increasing level of self-assertion in community (positive),
- developments in mass communication media (positive),
- existence of will in the parties for a change-working towards a "constituency for change", and
- undue haste and enthusiasm disproportionate to reasonably expected improvement in abilities (negative).

Pre-requisites for Effective and Successful Participative Management :

One of the major social goals of workers' participation is to eradicate a feeling of inequality among all members in industrial society. Inequality among the workers and

management in industry emerges due to many causes. It is partly due to their unequal control over financial resources. It is also due to the fact that managers and workers work within the frame work of a technological system and an authority structure, designed for regular functioning of the organisation, which results in unequal distribution of authority and power. It is undoubtedly possible to devise various ways in which the labour-management conflict that tends to emerge due to inequal standings in the industrial society can be resolved. A clearly planned effective method of participation is a pre-condition for any attempt to promote co-operation among workers and management.

Any country can have a distinctive features of participative scheme because of its own economic setting, political system and socio-cultural background of the parties involved in the organisation of production. Some of the requisites of participation need to be attained prior to its adoption in the industry. Workers' participation must provide workers the right to exert influence in very sphere of decision-making which are connected with their daily business either directly or indirectly. Only then a climate of "the transformation of the traditional authority into a democratic

one, that is, the situation of a totalitarian system of relations within the enterprise by a human system of relations"⁵⁶ would be possible to be secured in industry.

No form of workers' participation and joint consultation would satisfy the organizational needs without a change in heart and outlook of both the employers or the workers. The joint consultation between workers and management would offer wider scope for maintaining suitable relations only if they express willingness to work jointly in industry for some social purpose.⁵⁷ A scheme with precisely defined objective, would encourage workers to take part actively on the problems of the joint interests. On the contrary, scheme without rhyme or reason arouse suspicions between them. Management may perceive as workers' encroachment in their prerogative of decision-making whereas, workers see the scheme of participation as rivalry enforced by management to weaken workers and unions.

The success of participation is directly related to how well certain prerequisites conditions are prevalent. Some of these conditions occur in the participants, some exist in their environment. Taken together, these conditions mean that participation applies in a contingency relationship. It works

better in some situation than in others and in certain situations it works not at all. In achieving a success from participative management Tannenbaum Irving R Weschler and Fred Massarik⁵⁸ have pointed out following prerequisites/conditions. They are noteworthy and have been discussed below, briefly:

1. There must be time to participate before action is required. Participation is hardly appropriate in emergency situations.
2. The financial cost of participation should not exceed the values, economic and otherwise, that come from it. Employees cannot spend all their time participating to the exclusion of all other work.
3. The subject of participation must be relevant to the employee environment, else employees will look upon it merely as busy work.
4. The participants should have the ability, such intelligence and knowledge, to participate. It is hardly advisable, for example, to ask janitors in pharmaceutical laboratory to participate in deciding which of five chemical formulas deserves research priority, but they might participate in helping resolve other problems related to their work.

5. Neither party should feel that his position is threatened by participation. If a worker thinks his status will adversely affected he will not participate. If a manager feels that his authority is threatened, he will refuse participation or will be defensive.
6. The participants must be able mutually to communicate - to talk each other's language - in order to be able to exchange ideas.
7. Participation for deciding a course of action in an organisation can take place only within the group's of job freedom. Some degree of restriction on subunits is necessary in any organisation in order to maintain internal unity. Each separate subunit can not make decisions that ^{violate} policy, collective-bargaining agreements, legal requirements and similar restraints. Likewise there are restraints in physical environment (a flood closing the plant is an extreme example) and as a result of one's own limitations (such as not understanding electronics). The area of job freedom for any department is its area of discretion after all restraints have been applied. In no organisation is there complete freedom, even for the top executive.

Within the area of job freedom⁵⁹, participation exists along a continuum. Within a period of time a manager will practice participation at many points along the continuum. That is, a manager may seek the group's ideas before deciding vacation schedules, but the same manager decides overtime schedules independently. In spite of differences on individual decisions, each manager gradually becomes identified with some general style of participation as a usual practice.

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CHAPTER 3

GROWTH OF PARTICIPATIVE MANAGEMENT IN DIFFERENT COUNTRIES

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Efforts have been made in various countries of the world for the promotion of idea of participative management by thinkers as well as owners, managers. However, the nature and movement of participative management has varied from country to country as the economical, political and social environment of one country varies from another. Its pattern has been different in capitalistic countries, such as UK and USA and socialist countries such as former USSR and Yugoslavia. Many variation have been found in plans, policies, form and degree of participation, however, one feature is omni-present in all the countries, that is, the sense of human and cooperative feeling which is associated with productivity at the level of underbaking. Various works committees and councils have been constituted which makes cooperation possible in between workers and management. Whereas in some countries, these committees and councils are governed by collective agreement, that is, legislation. Let us describe and analyse and the development of participative management in some countries of the world, such as, UK, USA, former USSR, Yugoslavia and Germany.

I. Participative Management in U.K. :

The evolution of participative management in United Kingdom commenced in 17th century when industrialisation was in the early phase and 'chapples' were constituted by the workers for holding informal discussion among themselves on common issues of their trade and welfare. In between 17th and 18th century various thoughts, plans and suggestions were chalked out for the growth of participative management. In 1833, "The Grand National Consolidated Trade Union" was constituted for encouraging the development of cooperative society. In this union, entire labour force participated for the introduction of 'social order'. This trade union could not succeed and the year 1834 saw the end of this major and important phase in participative management.

In the beginning of 19th century, it was again pursued vigour with the introduction of 'profit sharing scheme'. The system of Joint Consultation Councils and Workers' Director had become popular during First World War. In 1917, Whitley Committee was instituted for the mass approval of the participative management scheme. The committee recommended for the establishment of joint councils for each organisation for making industrial peace and harmony in between workers and

management. These Joint Councils' role was consultative and was of advisory nature and, as such, the matters of discussion and consultation were confined to wages, health, welfare, training, safety, education and other issues of workers. During the second world war, joint committees were formed in large number, but these committee could not function properly. It has been stated that the experiences of these councils had showed their usefulness at the war time, however, limited as a tool in promoting joint collaboration between employers and workers.¹ The joint consultation scheme functioned on the basis of the agreement between the management and unions. It was, however, voluntary, in nature, in United Kingdom.

With a view to study the prospects of participative management, UK government established a committee headed by Allan Bullock in 1975 to enquire into the following matters :

- i) The need for radical extention of industrial democracy,
- ii) To control of companies by means of representation of the workers on the board of directors.
- iii) To accept the essential role of trade union organisation in this process, particularly in the light of report on Industrial Democracy as well as keeping in view of experience in Britain and other countries.

The committee submitted its report and recommended that there should be equal representation of workers and shareholders in the company boards. In this regard committee had given following two suggestions to implement this idea:

- i) Full parity representation (i.e. 50:50) of employees and shareholders or
- ii) Equal representation of employees and shareholders plus the appointment or co-option of a third group of directors.

In 1982, Employment Act was passed. According to this Act, a provision was made that the employers of 250 workers or more are responsible for informing their employees each year about the efforts made to popularise and implement the participative management scheme.

At present, the participative management scheme is practiced in two way in UK, the profit based system and the small down payment system.

In the former, the scheme is adopted when the company achieves a level of profit which justifies financial participation. Shares are distributed to employees instead of profit in cash or bonus. The employee is supposed to retain

the shares so allotted, for a minimum time before it attracts full fiscal benefits. A minimum qualifying service is also required, in order to become entitled to receive such shares. The shares allotted may be distributed among the employees or kept in a trust during the specified retention period if employees agree. The employees in such cases they do not receive the dividend directly. It is the trust which decides about the distribution of revenue earned. The longer the shares are held by the employees, more are the taxable benefits that occur to them. At the end of ten years of ownership all the tax liability with the regard to capital value ceases. The small down payment system schemes are mostly offered to the executives. They are also offered favourable loan terms to buy the shares. When the shares are offered under an incentive scheme, the benefits start flowing immediately on the allotment. In most such cases, however, executives are guaranteed against actual loss with the result that share do not represent risk capital. Employees other than the executives are also offered shares on payment in instalments over a given period of time with benefits occurring from the outset and tax benefits also attached to it.²

II. Participative Management in U.S.A. :

Participative management is practised in very a limited senses in USA because there is no enactment to enforce it by law. The system of participative management is of recent origin there as compared to UK, France and Germany. Participative management scheme was introduced in USA during the first world war. Joint consultation committees were established to increase the war production. In 1920, co-operative schemes were introduced by management as the management accepted the fact that without labour cooperation they would not be able to implement properly F.W. Taylor's scheme (the scientific management scheme) in plant. These schemes provided opportunities to the workers to participate in management.

An interesting system of multiple management was instituted by Mr. S. McCormic, the founder of McCormic & Co. Inc. of Baltimore, USA. The emphasis of this system is on democratic management rather than a profit motive. The active management of the company was carried on through group of officers formed from the shop level and upwards. These groups are (i) the factory board which consist of factory employees, (ii) the sales board which consist of men active in marketing

positions, (iii) the junior board which represents office, employees and those concerned with personnel and administration, and (v) the senior board which is elected by stock holders.³

During the second world war, Joint Production Committees were set up with the object of increasing production. After war a relatively smaller number of such production committees have survived because the idea of workers co-partnership in the control of the industrial system was not appreciated by both workers and the management.

In USA, the scheme of participative management varies from one enterprise to the other because there are many ways and conditions of participative management. In this context Renesis Likert⁴ has described two basic ways of workers' participation in management. First is the consultive management wherein management solicits ideas from employees in order to solve the problems but the management itself makes all the decisions. While under the second method there is extensive friendly interaction among the management and the workers. The decisions are made by group participation among them. But the latter system of participative management has been adopted in USA only in a few enterprises. It is due to

the fact that the management considers its own prerogative to make decision and generally they do not want to share it with the workers. Secondly, they are doubtful about the capabilities of the workers and they are of the view that the workers cannot play any useful role in decision making process.⁵

In conclusion, we can say that Americans do not have faith in workers' participation in management due to capitalist culture of economy. In the context of USA, industrial relations setting, collective bargaining is the most effective system in which labour has secured the following rights :-

- i) To be consulted in respect of apprenticeship programmes,
- ii) To be consulted regarding the re-absorption of workers eliminated by technological changes,
- iii) To a policy of non-discrimination,
- iv) To be consulted in respect of job specification, rates of operation and other such matters,
- v) To be represented by Trade Unions in grievance procedures.

III Participative Management In USSR (Former)

Due to state owned industries and absence of profit motive in USSR, workers' participation in management has been

made essential. To increase the production of a socialistic enterprise the Soviet workers not only work hard but also participate in different matters and discuss on economic and financial plans.

Soviet Industries or units have no board of directors but each industry or unit has a director which is nominated by workers. The director of unit constitutes the management and is liable for the fulfilment of the unit's annual plan, policy and all production tasks. Different categories of worker representative superwise, suggest and criticise his activities like a watch dog.

In USSR, the participation of the masses, that is, of the non-managerial workers in the administration of industry is a key Soviet theoretic doctrine. Mass participation in industry takes following four forms :

(i) Supervision

Workers may supervise in a firm over the management tasks and their criticism of all its deficiencies.

(ii) Suggestions

Management and workers of industry conduct employees conferences. All workers of the plant attend these conferences

and offering concrete suggestions on plans and policies.

(iii) Performance of administrative functions :

The direct performance of administrative tasks by workers, who do this in addition to their regular work.

(iv) Upward movement of the rank and file workers into posts in management.

The conferences called by both management and employees are considered of great importance. All employees of whole unit gather for consultation on reports, plans and policies for increasing production, to criticise the work of management and to make appropriate suggestions for improving the work of production unit.

The other conference is called production actives or select actives. This has significant importance in the matter of enhancing the production. The production actives conferences are attended by highly selected groups of engineers, junior management personnels and technicians. Though the number of such persons is quite large in any plant, only some of them, who are highly skilled, are selected. These representatives are technically proficient and most knowledgeable.

They have right to speak criticise and actively take part in the discussions.

Thus, in USSR there were two types of conferences i.e. mass production conference and select actives conference. Russian workers can take part in management through these conferences. In these conferences workers can criticise guide and suggest the management. In USSR the movement of workers' participation in management is motivated by socialism because both management and employees have the same interest - to improve production and increase the material.

At present, situation in USSR is under great turmoil and after withering away of USSR things are in a great fix. Efforts are being made to open up the economy and with the change in the system, it is not possible to fore see as to what is going to happen their in connection with participative management scheme.

(iv) Participative management in Yugoslavia :

In Yugoslavia the participative management scheme is dependent not upon the slogan - "factories for the workers and land for the peasants."⁶ The Yugoslavia economic structure is based on the "work collective"⁷ which means as a community of

workers working directly to develop the wealth and property of their undertaking and entitled to manage the enterprise and to divide among themselves the fruit of their labour.⁸

In Yugoslavian economy, workers' participation in management scheme is playing important role through 'Self Management' for the last three decades. This is the only country, where this scheme has attained success in this respect. But the commencement of this scheme in Yugoslavia when the fundamentalist and democratic parties formed a fusion government in 1922. An Act conferring on worker's right to participate in management was passed by this government. This act enabled workers to form workers councils. After some time a socialistic revolutionery change came in Yugoslavian economy which created her economy on social ownership. Due to this in 1946, enactment of 'Federal People's Republic Constitution of Yugoslavia' and after its adoption all activities in her economy were placed under the state ownership. It result of all enterprises in the area of communication, mining foreign trade, transport and all other big enterprise came under the state ownership.

The basic law on Management of State Economic and Higher Economic Associations by the Worker's collectives was passed

in Yugoslavian legislature in 1950. According to this act workers were enabled to manage their organisation by workers' collectives and in this concern two agencies may help for better relation and association between workers and management which are workers' councils and management board :-

(i) Workers' Councils :

The law of 1950 was prescribed to establish workers' councils in each enterprise. In small enterprises in which less than 30 employees are employing, all of them would be employed in the council and in big enterprises, members of workers' council varies according to the size of the enterprise. The maximum limit is 200 members which are elected by the majority vote. According to this act workers' councils is elected for the period of one year and the council meets at least once in one and half month.

The workers' council as representative of the workers' collective, elects and recalls the management board and has to decide and to define the general policy of the undertaking, with regard to economic and social matters.⁹ Workers' council is also bound to make decisions on organisational problems as for instance, on the merger of enterprise with another,

setting up of new branches or independent enterprise, decide whether the enterprise is to enter chambers or economic associations and elect representatives to be delegated to the bodies of foregoing organisations and make decisions on other questions which fall within workers' councils competence on the basis of the existing regulations.¹⁰

(ii) Management Board :

The 1950's Act provided a management board in each enterprise which would be an executive organ of workers' council. Management board is elected for a term of one year. The members of management board are elected by workers' council from amongst its members. It consists of 3 to 15 members including the 'Director' who is also the member of the board. Only one third of its members holding the office during the previous year may be elected to the new management board and no one can be a member of the management board for more than two runnings. The director of the enterprise is appointed by management board of the higher economic association but he can be reemoved only by the recommendation of workers' council or management board. According to this law three fourth of its members must be engaged directly in production. Rest are chosen from the personnel, engineers and

technicals. The management board has vast power to perform their following functions :-

- i) To prepare proposals on the problems and draw up plans for workers' council,
- ii) To fix output quota,
- iii) To make independent decisions on important economic and financial problems,
- iv) To prepare and propose plans for production, marketing finance and investment,
- v) To frame the monthly operative plans,
- vi) To execute the conclusions of the workers' council and
- vii) To ensure that the enterprise is running correctly.

Although the management board has vast power to perform their function but it is also responsible to the workers' council and competent authority. The members of both (workers' council and management board) perform their duty without remuneration and holding honorary title.

After 1950's law in 1952 a general law on peoples' committee was passed. Peoples' committee is a body of citizens which can control, monitor and intervene in the activities of workers' council. In 1953, on the essential principles of Yugoslavian social and political structure a constitutional

law came which had made the principles of self government by workers and employers. After this law many acts have been passed which are concerned with effective participation by workers in management. The main acts are the Yugoslavian constitution act 1963, the new federal constitution of 1974, the associated labour law of 1976, the social planning act 1976 and income determination and distribution act 1977.

Thus in Yugoslavia real self-management is quite evident because the economic motivation has been effectively incorporated in to the system by creating a link between the earning of an individual to success of whole enterprise. Here the workers get the share of the profit of success whereas in other countries it goes to the shareholders or the state i.e. in USA, UK, FRG etc.

Federal Republic of Germany (Former) :

FRG is the first country in the world to introduce participative management through legalisation. In this connection, the first major step was made in 1849 when the Prussian Government established industrial councils by a decree of workers participation. Two movements viz. 'Scholastic Socialism' and 'Monarchical Socialism' encouraged and gave

support to the philosophy of workers' participation in management. The ideas of scholastic socialism were put forward by Baron Von Kettler in his book 'Christianity and the Labour Problem' published in 1864. According to him the participation of workers in control over industry would make them realise that true interest lays on harmonious relations with their employers. In 1891 an amendment was introduced in the industrial code which necessitated the establishment of work rules, known as 'Arbets ordnung' applicable in factories employing more than twenty workers and the setting up of workers' committees which were to be consulted in the matters relating to works rules but the employer was not bound to accept any suggested modification.¹¹

The FRG govt. has also introduced a system of codetermination by workers in coal mining undertakings and Iron and Steel Industry which provides for the participation of Trade Union representatives on parity base in the management of these undertakings. Under this system workers directly participate in decision making. The 1891's amendment has made compulsory of the establishment of workers' committees in all mining undertaking where employing 100 or more workers.

In period of first world war the movement of

participative management gained additional strength on account of following two reasons:

- (a) Employers and employees in several undertakings took joint measures to set up boards on parity representation of workers and management.
- (b) The union by declaration cooperated fully with the govt. in promoting war production and pledged to abstain from strike during that period,

In 1916, FRG government introduced an Auxiliary Service Act which required undertakings employing more than 50 persons to constitute workers' committees composed of both salaried employees and wage earners. As a result of establishment of workers' committees in these undertakings both workers and employers were agreed to manage enterprise with parity participation without any interference from the government. This initiation resulted in the establishment of "National Agreement of Nov. 15, 1918" between the trade unions and employers which facilitated for the introduction of 'Joint Industrial Alliances' consisting parity representation in decision making. After establishment of Joint Industrial Alliance a Central Industrial Alliance was set up for the

whole of the Germany which resulted the German Industries were divided into groups and each having its own joint industrial alliance. The central alliance had power to manage and to decide important problems of wages, working conditions and workers welfare.

In 1919 government submitted a bill for establishment of worker's councils in each undertaking which was passed in 1920 although employers opposed the bill because they were afraid that works councils may not become powerful bodies independent of employers. But after 1925 workers councils lost their reputation whatever they had gained.

When there was struggle between the communist and the National Socialists, or Nazis, later came in to power. They replaced the work councils act by National Act of 1934. This Act put forward a new principle in labour management relations under which the employer in each establishment was to act as a leader or 'fuhrer' and his salaried or wage earning employees as his followers in order to work together to promote the common welfare of the people including the workers. The state undertakings employing more than twenty persons were to set up confidential councils known as 'Verauenerale' composed of confidential councillors selected from the staff with the head

of establishment or the employer as its leader.¹²

At the end of second world war academicians, economists and thinkers were demanding for codetermination on economic as well as social spheres. As a result of this movement, trade unions were also demanding that the concept of co-determination should be given in statutory manner. After the second world war in May 1949 the FRG government was founded the concept of participative management scheme obtained much recognition which resulted the government of FRG introduced a scheme of principles for co-determination in coal and steel organisation. In this concern a bill was also passed in 1951 for incorporation of co-determination scheme which provided the workers to participate in steel, coal and iron industries. The legalisation of co-determination policy most of companies have two boards. The upper board is called supervisory board and lower one as management board.

After this the FRG government taken it in broadway and adopted a bill (which called Plant Organisation Law) for introducing co-determination in Public organisations as well as private organisations. This law enabled workers to participate in management through work councils in industrial

establishments employing more than 500 persons or joint works council (Gesamtbetriebsrat) when several enterprises or plants were managed by one management. The main objective to pass this law was to provide the right to workers to co-determine in respect of general, social, economic and personnel issues.

The scheme of co-determination worked through three distinct aspects as:

- i) Social co-determination which relates to determination of piece rates, working hours, sanitation, vacation, welfare and accident prevention etc.
- ii) Personnel co-determination which relates to personnel policy including transfer, discharge, recruitment and suspension etc.
- iii) Economic co-determination which relates to management policy.

The main legislation to implement Workers' Participation in Management in the Federal Republic of Germany, Works Constitution Act dated 11.10.1952, which was repeated and superseded except for certain provisions by the Works Organisation Act of 15.11.1972 as supplemented in 1974 and the

order dated 16th January 1972, and the Co-determination Act 1976. Accordingly organisations employing at least five workers (of whom at least three are eligible to stand as candidates) should establish a work council and its term is for three years. The numbers of a council range from one to thirty, depending on the size of an enterprise. The undertakings with more than 9000 workers can have two additional representatives for every 3000 workers of fraction thereof. The method of election is through secret ballot. As per the codetermination law 1951 there is a provision for a eleven members supervisory board at an organisation level with due representation to employers, employees and neutral members, white collar employees are eligible for membership on par with blue collar workers. There is a provision for a worker director to be elected by workers' representatives and appointed by the supervisory board. He is entrusted with the powers to take charge of personnel matters and to participate in the board meetings on par with the directors.¹³ In 1977 labour code incorporated which had given more opportunity to the workers through their trade union to participate along with management, to frame basic policies and to take measures to implement them.

With the unification of Eastern and Western Germany, there economic situation is also in fluid state and it would take time to settle it down. Hence, it is not predictable, what is going to happen, in this connection, in the unified Germany.

Thus the FRG experience is a successful experience as per the opinion of the thinkers, academicians and sociologists.

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CHAPTER 4

GROWTH OF PARTICIPATIVE MANAGEMENT IN INDIA

GROWTH OF PARTICIPATIVE MANAGEMENT IN INDIA

The Constitution of India declares it as a Sovereign, Socialist, Democratic and Republic. Like other democratic and socialist country, India too adopted the movement of participative management to enshrine industrial democracy. People started thinking in terms of adopting concept of workers' participation in management, specially after the attainment of political freedom in 1947. The need for participative management (PM) in India was felt long back by the architects of independent India. The Government of India has declared that PM is one of the methods by which social justice could be secured for workers, peace ensured in the industry and productivity increased. In this regard various statutory and non-statutory measures have been taken by the Govt. to introduce the PM by creating Works Committee and Joint Management Council. Efforts have been made from time to time to apply PM more successfully.

In several cases it is felt that Indian workers do not have a sense of commitment to the organisation where they work. They suffer from poverty, live on poor living standard, inadequately educated and not properly trained. With the result, low productivity, poor performance, a high percentage

of absenteeism,, glaring indiscipline etc. are found in Indian industries. Trade unions have developed but they are not strong enough. They are not able to assert their rights, dignity and equality of status in the industrial structure.¹

The Indian management is not ready to handover its authority and share the same with workers. The management normally believes in its own acumen and high mental ability. The management here is not mature enough as it hesitates to realise and to recognise the rights of the dominant working class. In fact "the management's behaviour being more legalistic than humanitarian".

Variety of Trade Unions are being looked as rival organisation. The Trade Unions rivalry which tells upon their inability to appreciate the unity of outlook towards the problem of workers, gives the management a latitude to exploit the situation in their favour. In fact the existence of Trade Union is tolerated by management either because of legal compulsion or because of convenience.

"Both employers and workers have frequently complained of the many ills that afflict it and about the wrongs of the other side. Among employers' complaints are those relating to

low productivity, growing indiscipline, soaring labour costs, unchecked absenteeism, constant industrial litigation and the existence of surplus labour, workers complaints include those relating to inadequacy of wages, lack of incentives, excessive appropriation of the profits of industry by management, unsatisfactory working conditions, bad and even dishonest management, poor maintenance of machinery, bad quality of raw materials, and inconsiderate treatment of labour. While there must be a measure of exaggeration on both sides, the complaints cannot be dismissed as frivolous because both sides are still working at cross purposes, and, at best in a few cases there may be only a 'cease-fire' friendship between them."²

The development of improved methods of organisation, delegation of authority, proper channel of communications, scientific supervision and a professional outlook in the management are considered to be prime need of the time. There is a definite change in management outlook with changing socio-economic scenario, though it is very slow. The emergence of workers as a power not to be negligible, the increasing dimensions of the government to improve the lot of workers, changing dimension of concept of profit, all are having a conclusive influence over the management-workers relationship

and compelling the management to change its approach and behaviour. The relationship of management and workers has expanded and is changing. The government has been taking steps to give real shape to the idea of joint consultation between the workers and the management. The idea of joint consultation is not new in India. Over fifty years ago, some humanistic owners of textile mills are known to have consulted worker's spokesman in solving industrial disputes.

Works Committees :

The Royal Commission emphasised upon the importance of works committees as an internal machinery for the prevention and settlement of industrial disputes. The Industrial Disputes Act, 1947, section 3(1)(2) provides for the setting up on a works committee consisting of representatives of management and employees, in every undertaking employing 100 or more workmen to promote measures for securing and preserving unity and good relations between the employer and the workmen and to that end, to comment upon matters of their common interest or concern and endeavour to compromise any material difference of opinion in respect of such matters. The representatives of the workmen, whose number shall not be less than the number of representatives of the employer, are to be chosen from among

the workmen engaged in the establishment and in consultation with the registered trade union, if any.³ The main functions of works committees are:

1. To promote measures for securing and preserving amity and good relation between the employers and employees.
2. To enforce the regulations contained in the collective agreements drawn up by recognised employers associations and workers organisation, and
3. To give the employee a wider interest in the greater responsibility for the conditions under which their work is performed.

The works committee have not taken deep roots in the industrial relations set up in our country since there has been lot of misconceptions about them from the very beginning.

From the table 1.1, it is clear that the works committees have not been established as per the targets. Moreover, they have generally been not effective and they could not make any significant contribution in improving the industrial relations.

Joint Management Councils :

After independence in 1956, Government of India announced its industrial policy. The industrial policy resolution of

Table No. 1.1

Gap in Constitution of Intended works Committees and works Committees Actually Constituted
(Situation at a Glance in 1983)

S.N.	State/Union Territory	No. of works committee required to be constituted	No. of works covered by committee in col. 3	No. of works committee actually formed	No. of workers covered by works committee in col. 5
1.	2.	3.	4.	5.	6.
1.	Centre	1295	9,89,187	583	5,04,781
2.	Assam	518	-	155	40,500
3.	Haryana	243	1,18,175	149	1,05,735
4.	Karnataka	199	2,32,352	16	10,950
5.	Maharashtra	1746	4,41,820	506	1,16,504
6.	Manipur	15	2,708	2	1,561
7.	Orissa	171	93,419	17	7,941
8.	Meghalaya	2	3,589	2	3,589
9.	Rajasthan	103(P)	-	51	57,839(P)
10.	Tamil Nadu	794	3,05,371	341	1,64,698
11.	Arunachal Pradesh	4	1,632	1	837
12.	Chandigarh	23	5,264	5	2,501
13.	Delhi	154	51,164	5(C)	14,300

P = Provisional, C = Works committees formed in 5 major states are not functioning at present due to lack of interest of the union.

SOURCE : Government of India, Labour Gazette, Bombay and Report of the Department of Labour, Ministry of Labour for Various Years.

1956 and the recommendations contained in the second five year plan have been operative characters for the introduction of the formal scheme of participative management in the country. The resolution stated, "in a socialist democracy, labour is a partner in the common task of development and should participate in with enthusiasm. There should be joint consultation and workers and technicians should, wherever possible be associated progressively in management".

Recommendations of Second Five Year Plan :

The second five year plan recommended thhe setting up of councils of management, techhnicians and workers and explained the new approach to the problem of labour management relations as follows:

"A socialist society is built up not solely' on monetary incentives, but on ideas of service to society and the willingness on the part of the latter to recognise such service. It is necessary in this context that the workers should be made to feel that in his own way he is helping to built a progressive state. The creation of industrial democracy, therefore, is a prerequisite for the establishment of a socialistic society."⁴

The plan emphasised that association of labour with management would help in:

- (a) Promoting increased productivity for the general benefit of the enterprise, the employees and the community,
- (b) giving employees a better understanding of their role in the working of industry and the process of productions, and
- (c) satisfying the workers urge for self expression thus leading to industrial peace, better relations and increased productivity.

The plan suggested setting up of councils of management.

Recommendations of Study-Group on Workers' Participation in Management:

A study group on participative management consisting of representatives of government, employers and workers was deputed to some European Countries to study the working of similar schemes and to make suitable recommendations for introducing a scheme of ^{of} participative management in India. The recommendations of the study group were considered and accepted at the 15th session of the Indian Labour Conference (1957) which also appointed a tripartite sub-committee to draw up details of a workable scheme.

The recommendations of the study group placed before the Indian Labour Conference were the following:

1. It would be advisable to have some permissive legislation empowering government to set up joint councils of management in selected undertakings. Such legislation should, however, provide only the framework, the detailed rules being left to be developed through joint consultation.
2. The main functions of the councils may include provision of means of communication, improvement of working and living conditions, improvement in productivity, encouragement of suggestions and assistance in the administration of laws and agreements. It may be desirable to consult the councils regarding matters like alterations in standing orders, retrenchment, rationalisation, closure, reduction in or cessation of operations, introduction of new methods and procedures for engagement and punishment.
3. It would be preferable to exclude wage and bonus and individual grievances from the purview of joint bodies, but otherwise the list of function should be flexible enough to be settled by joint consultation between the management and their representatives trade union.
4. It is necessary to enlist the willing cooperation of managements at the middle and lower levels such as junior

managers, supervisors and foreman.

5. Joint consultation should be in built and for this purpose government should provide an advisory service on personnel management on the lines of UK Ministry of Labour.
6. There should be a strong self-confident trade union closely connected with the machinery of participation and with a reasonable clear cut separation of functions. It would be advisable to devise some methods for closely associating the trade unions in the selection of workers representatives.
7. While government should accept leadership for organising a sustained education campaign for creating the necessary atmosphere, it should not be made a departmental affair but effort should be made to build a tripartite machinery.

The recommendations of the study-group laid great stress on adequate preparation before starting the scheme. It suggested workers' education programme in order to institute right attitude in the minds of workers and to create favourable conditions for the smooth working of the scheme. According to it the prerequisite to the starting of the scheme were the existence of satisfactory arrangement for collective

bargaining the settlement of disputes, and the developmet of strong trade unions closely connected with the machinery of participation but with the reasonable clear separation of functions. In the enthusiasm to begin the experiment, the government often over looked their basic requirements.

The Indian Labour Conference :

The Indian Labour Conference accepted the recommendation of the Study Group except in regard to permissive legislation. As the employers were willing to introduce scheme of workers' participation in selected industrial units on a voluntary basis, it was not considered necessary to undertake any legislation for the purpose for a period of two years.

The Indian Labour Conference recommended the setting up of a sub-committee for working out details for implementing a scheme of workers' participation. The sub-committee drew up a draft model agreement between management and labour for establishing joint councils of management and also selected a number of establishments wherein the scheme may be introduced in first instance. Management and workers representatives of units selected and of units where workers' participation schemes were already in operation and representatives of the

central and state governments and management and workers organisations meet in seminar convened in New Delhi in Jan. and Feb. 1958 and discussed various aspects of the implementation of a scheme of workers' participation in India. The seminar also discussed the draft model agreement suggested by the sub-committee of the Indian Labour Conference and made few modifications. The seminar was convinced that joint councils will thrive only in an atmosphere of mutual confidence and goodwill. The essential features of the scheme for joint council are:

1. The council is entitled to be consulted on certain specified matters,
2. In some other, the management is expected to share information with the council, and
3. In a set of function, administrative responsibilities have to be given to it.⁵

The main objectives in the establishment of joint councils were to promote cordial relations between management and workers, build up understanding and trust, secure better welfare and other facilities for workers and train them to understand and to share the responsibilities of management. For this purpose, adequate precautions were taken for joint

management council to evolve with a potent force for improving the prospects of industrial harmony.

Third Five Year Plan :

The Third Five Year Plan, in its approach to the problem of industrial relations, elaborated this policy of associating labour with management and accepted the progressive extension of the scheme of the joint management council as a major programme. The plan recommended the setting up of joint management councils in all industrial undertakings found suitable for the purpose, so that in due course the scheme might become a normal feature of the industrial system. The Third Five Year Plan strongly recommended the extension of the scheme. "For the peaceful evolution of the economic system on a democratic basis" stated the plan, "it is essential that workers' participation in management should be accepted as a fundamental principle and an urgent need."⁶

In order to make promotional effort, the Government of India set up a tripartite committee on labour management cooperation to advise on matters connected with the implementation of the scheme. A special cell was also set up in the Department of Labour and Employment. Most of the state government appointed special officers to promote the schemes.

Fourth Five Year Plan :

The Fourth Five Year Plan urged for the extension of the scheme to the public sector undertakings and emphasised its importance as an essential functional link in the structure of industrial relations. The Administrative Reform Commission, in its report on Public Sector Undertakings recommended that the representatives of the workers should be included on the Board of Directors of the public sector undertakings. Such representatives should be those who are actually working in the enterprise.

During 1965-66 a number of industrial undertakings had entered into an agreement with their units for setting up joint management councils and on this basis they were included in the list of units which had set up JMCs. In most cases the councils never started functioning and in 1969 the names of these units were deleted from the list. This accounts for the significant rise in the number of JMCs from 1966 and the corresponding fall since 1969.

The latest available Indian Labour Year Book (1978) indicates that joint management councils, in operation on a voluntary basis, were functioning in eighty establishments thirty one in public sector and forty-nine in private sector during the year under review.

Table 1..2

Showing Position of JMC in Public and Private Sector

S.No.	Year	Public Sector	Pvt.Sector	Total
1.	1958	7	16	23
2.	1959	6	16	22
3.	1960	5	23	28
4.	1961	11	18	29
5.	1962	15	31	46
6.	1963	23	53	76
7.	1964	33	58	91
8.	1965	34	65	99
9.	1966	43	97	140
10.	1967	47	85	132
11.	1968	46	84	130
12.	1969	31	53	84
13.	1970	30	53	83
14.	1971	31	49	80
15.	1974	46	85	131
16.	1976	140	948	1088
17.	1980	712	1132	1844

SOURCE: Indian Labour Journal, Labour Bureau, Ministry of
Labour Government of India, July, 1981, p. 948.

Evaluation of The Working of the J.M.Cs :

The Second Seminar on Labour Management Cooperation (New Delhi, 1960) listed certain criteria that could be applied in determining the success of JMC, these were:

1. An increase in productivity accompanied by a reduction in wastage of raw materials.
2. Improvement in the welfare facilities provided,
3. Development of machinery for the settlement of disputes within the undertaking itself without reference to any outside agency,
4. Industrial peace as evidenced by a reduction in the number of man-days lost through strikes and lock-outs,
5. The number and frequency of meeting held and the attendance at such meetings,
6. The type and number of suggestions received by the council and the proportion of these suggestions that have been acted upon.

It may be the only evaluation of the scheme closely administering these criteria is that contained in the reports on the working of joint management councils published by the department of Labour and Employment in 1965. "One remarkable result of setting up of Joint Councils", says the report, "has

been a closer understanding between the management and the workers in regard to several aspects of their day-to-day relationship". Both management and the workers have come to appreciate the difficulties and problems of the one another. The management has become more sympathetic to the workers and are willing to lend ear to their views The evaluation studies have revealed better industrial relations, a more stable labour force, increased productivity reduction in waste, better profits in most of the units in which Joint Management Councils have worked successfully. Such representation was recommended for the industrial units only.

Factors Prohibiting Wider Approval of The Scheme of Joint Management Council :

Following are some notable factors which restricted the wider approval of the scheme:

1. The scheme has not by large, found favour with the public sector which has to be the model and set the pattern and the pace for implementation of progressive policies.
2. The low level of workers remuneration and their poor standard of living. The study group on workers' participation in management had already sounded a note of warning in this regard. The first interest of workers are

wages, conditions of work, security and a fair grievance procedure, and if there is bitterness over these no real participation is possible.

3. The employers were anxious to increase profit through better discipline and increases in production and productivity while the unions wanted to wrest more and more privileges and power through the arrangement. None had a proper understanding or appreciation of the scope of the scheme and more particularly its limitations. An I.L.O. study relating to the Indian experiment has remarked: "The juxtaposition was between the 'participation' implied in the scheme and the advisory nature of joint councils which at best describes their role. Workers emphasised the former because it accorded greater weight to their opinions and managements the latter because it preserved their discretion judged by these separate tests, deliberations were bound to be disappointing to the parties".
4. Inter-union and intra-union rivalries have been not only a bar on the setting up of JMC but also proved a serious difficulty in the functioning of some joint councils after they were set up.

5. Most employers are indifferent to the scheme in spite of their representatives at national and international forums paying lip service to it. They do not also take kindly to the idea of shedding power or sharing information and responsibility with workers and these representatives.
6. The multiplicity of joint consultative bodies makes many employers adverse to the idea of having yet another such body the form of JMC. The national commission on labour emphasised, "Progressive employers who already have a system of consultation with their workers through recognised unions and for workers committees find the joint council in its present form superfluous". The Commission has given suggestion in this concern: "Wherever the management and the recognised trade union so desire they can by agreement enhance the powers and scope of the works committee to ensure a greater degree of consultation/cooperation by amalgamating to the extent desired, the functions of the two".
7. The employees organisations are also not enthusiastic.

The crucial factor for the success of the scheme is to get the top management team and the labour committee motivated

in favour of participation. This is an area where management should take the initiative, as it is much more difficult for management and labour to accept participation if they feel that it is being introduced under pressure from below or as part of bargaining with trade unions or under legal compulsion.

Representation of Workers on Board of Directors :

The scheme of representation of workers on Board of Directors was introduced by central government at the time of nationalisation of the banks in the year 1970. This scheme was made obligatory for them to have one workers' Director on the Board of the Directors of these Banks. "Under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 it has been provided that the Central Government may, after consultation with the Reserve Bank make a scheme for carrying out the provisions of the act.⁷ Chapter II para 3 of the scheme provided that, "The central government shall constitute the board of a nationalised bank consisting of b(i) one director from amongst employees of the nationalised bank who are workmen, to be appointed by the central government from out of a panel of three such employees, furnished to it by the representative union (where there is no representative union).

The central government may at its discretion appoint such a workman of the nationalised bank as it may think fit, to be a director. Under section 62 of the State Bank of India (Subsidiary Bank) Act 1959, the Central Government framed in 1974, the Subsidiary Banks (Appointment of Employee, Directors) Rules 1974 and under these rules one Director is to be appointed by the central government from among the employees of the subsidiary bank who are workmen, from out of a panel of three such employees furnished by the representative unions, or in the absence of representative union or in some other contingencies at the discretion of the central government such workman employee of the subsidiary bank as it may think fit and one director representing non workman employees from among the employees after consultation with the Reserve Bank.

In 1976, the Government of India also introduced this scheme in some public enterprises, such as, are Hindustan Antibiotics Ltd., Pimpri, Hindustan Organic Chemicals Ltd., Kolaba, Hindustan Steel and thhe Hindustan Insecticides.

Participative Management in Industry at Shop Floor and Plant Level 1975 :

Knowing the fact that the scheme of works committee and

Joint Management Council were not much effective and conspicuous scheme was needed for the elimination of mistrust between the workers and employers. Keeping in view the importance of the idea of workers' participation in improving industrial relations, production quality, reduction in costs and elimination of waste, the Government of India brought forward a Resolution on 30th October, 1975 outlining the function of Shop Council and Joint Councils to be set up on manufacturing a mining industrial establishments employing 500 or more persons, whether in the public, private or cooperative sector including departmentally run units.

In March 1976, the Chief Minister's Conference recommended that matters which had a bearing on improvement in the performance of an undertaking should also be allowed to be discussed at the shop councils and plant councils. After this it was decided by the Government of India that the councils should also cooperate with managements in eliminating wastage and institute a system of rewards for this purpose. This additional matters have been added to the functions of shop councils and joint councils.

Functions of Shop Council :

The shop council takes the following matters in the

interest of increasing productivity, production and overall efficiency of the shop:

1. Improvement in production, productivity and efficiency including elimination to wastage and optimum utilisation of machine capacity and man power,
2. Specially identify areas of low productivity and efficiency including elimination of wastage and take necessary corrective step at shop level to eliminate irrelevant contributing factors,
3. Physical conditions of working, such as lighting, ventilation, noise, dust and reduction of fatigue, etc.
4. To study absenteeism in the shop/department and recommend steps to reduce them,
5. Safety measures,
6. Welfare and health measures to be adopted for efficient running of shop/department and
7. Ensure proper flow of adequate two way communication between the management and workers, particularly on matters relating to production figures, production schedules and progress in achieving the targets.

Functions of Joint Councils :

The joint council should discharge functions relating the

subjects as stated below:

1. Matter emanating from shop council which remains unresolved,
2. Matters concerning the unit or the plan as a whole, in respect of matters relating to work planning and achieving production targets, more specifically tasks assigned to a shop council at the shop/department levels but relevant to the unit as a whole were to be taken up by the joint council,
3. Optimum production, efficiency and fixation of productivity norms of man and machine for the unit as a whole,
4. The development of skills of workmen and adequate facilities of training,
5. Optimum use of raw materials and quality of finished products,
6. The preparation of schedules of working hours and of holidays,
7. General health, welfare and safety measures for the unit or the plant, and
8. Awarding of rewards for valuable and creative suggestion received from workers.

Participative Management in the Public Enterprises -
Commercial and Service Organisations :

In 1977, the Govt. of India adopted a new scheme for workers' participation in management in commercial and service organisation in the public enterprise having large scale public dealings. The scheme is applicable to the organisations like Post and Telegraph Offices, Hospitals, Railways, Banks, Road Transport Undertakings, Public Distribution Systems, Electricity Boards etc. It envisages the setting up of unit councils and joint councils in units employing at least two hundred persons. The main function of the councils includes creation of conditions for achieving optimum efficiency, better consumer service in areas where there is direct and immediate contact between the workers and the general public at the operational level, for achieving higher productivity efforts for elimination of pilferage and all forms of corruptions and institution of rewards for this purpose etc. The scheme was commended by the government for all Central Ministries/Departments, State Government's Department and other concerned offices of implementation in units under their control.⁸

Though the scheme is not legalised but the move of the control and State Government cannot be ignored in concern of

promoting healthy and speedy implementation of the scheme in a large number of public enterprises - commercial and service organisations. While the initiative for introduction of the scheme was mainly vested with organisation/services concerned, all matters relating to the operation of the scheme was to be dealt with by the Central Government in the case of public sector commercial/services of the central government.

Many efforts have been made by Central and State Governments for successful implementation of the scheme in public enterprises. But the experience for developing a system of participative management in the industrial enterprises has shown not much success due to certain theoretical as well as practical difficulties. Varied trends have been noticed with regards to the constitution of these participative councils itself, particularly with regard to the representation of workers on these councils. While majority of the public sector undertakings have constituted the councils by taking nominees from the recognized unions, a few of them have also made these councils more broad-based by giving representation to all the registered trade unions functioning in the respective units. In a few cases, the workers representatives have been nominated by the managements themselves. There are yet certain

incidents where the managements had held elections to enable the workers to elect their representatives on these councils.

Though the majority of the public sector undertakings have chosen to implement the scheme as enunciated in the Ministry of Labour Resolution, a few of the undertakings largely under the administrative control of the Ministry of Fertilizers & Chemicals, Shipping and Transport and Departmental Undertakings, under the Ministry of Defence and Railways, have adopted alternative schemes. The units under the Ministry of Fertilizers and Chemicals have constituted Joint Management Councils and its sub-committees under a 19 point programme for participative management as evolved by this Ministry. The Ports and Docks under the Ministry of Shipping have constituted either shop floor committees or Task forces under the scheme evolved by that Ministry. The departmental undertakings under the Ministry of Defence have constituted Production Committees while those under the Ministry of Railways have constituted similar committees called Productivity Committees. Some of the undertakings like H.M.T., Bangalore, who had evolved a scheme of workers participation even prior to the government resolution, have continued with their earlier arrangements.⁹

The success of various modes of participative management greatly depends upon the outlook and attitude that the parties bring to the council and the environment in which a free exchange of thoughts and opinion take place. Where the right kind of attitude exists and proper environment prevails, the process of participation is greatly stimulated. For the successful implementation of this scheme in the Public Enterprises the necessary pre-requisites are - a good and efficient management, a strong, stable and responsible trade union, a belief in the idea of Joint Management and full faith in the usefulness of the machinery for the purpose, the willingness of the parties to try out the experiments sincerely and a fair record of a industrial relations.

Present Scheme - Three Tier System of Participative Management:

Keeping in view the reasons behind the success and failures of previous two voluntary schemes of workers' participation in management namely the scheme introduced in 1975, covering manufacturing and mining undertakings and subsequent scheme introduced in the year 1977 which extended the scope of previous scheme to include commercial and service organisations, the Government of India introduced a new comprehensive scheme of participative management in the

Central Public Sector Undertakings and the same have been notified on 30th December, 1983. The scheme envisages workers' participation in management at the shop floor and the plant level in all the Central Public Sector Undertakings. The scheme also provides for participation at the Board level in some selected central public sector undertakings. Central Government has recommended to the State Government for introducing the scheme on the state public sector undertakings and has advised the private sector undertakings to adopt the same. The concerned Ministries/Departments of Central Government have been requested to draw up the three bound programme to introduce the scheme in their public sector units within one year.

Features of the Scheme of 1983 :

The main features of the new scheme can be enumerated as under¹⁰:

- (a) No legalisation in this regard would be undertaken immediately, such step would, however, be considered after adequate experience has been gained in the working of the new scheme.
- (b) The scheme would cover all central public undertakings except those which are given specific exemption by the

administrative Ministry/Department concerned in consultation with the Department of Labour.

- (c) All undertakings of the Central Government which run departmentally will be excluded from the scheme.
- (d) The scheme will be operated at both the shop-floor and plant levels. As far the Board-level, the administrative Ministry/Department concerned will draw up a list of undertakings where the scheme will be introduced in consultation with the Department of Labour.
- (e) Both the workers and the management shall have equal representation in the shop-floor and plant level participation fora. The management will consult the concerned trade union leaders and evolve through consensus, the mode of representation at the participating levels.
- (f) The function of the two participating fora would be, as laid down in the scheme. These functions can be modified by mutual agreement between the workers and the management.
- (g) At the Board level, the workers' representatives will participate in all the functions of the Board.
- (h) A time bound programme for the implementation of the scheme within one year would be drawn up by Administrative Ministry/Department concerned and enunciated in

Department of Labour which would monitor the implementation of the scheme.

- (i) State Government would be requested to introduce the new scheme in their own public sector undertakings. Private sector undertakings would also be encouraged to implement the scheme.

Structure of the Scheme :

The scheme will operate at the shop level and at the plant level. There is also a provision for introducing it at the board level at a later stage. This has been left for the Administrative Ministry in consultation with the Ministry of Labour. Following its predecessors, the scheme provides for a representative arrangement for participation at the shop floor level. But unlike works committees, where representatives of workers are required to be elected, in the present scheme, it has been left to the employer and the workers to arrive at an arrangement through consultation. The scheme says that management will consult the concerned trade union leaders and evolve through consensus the mode of representation of workers at all levels of the scheme. There is equal representation for workers and management at the shop-floor and plant levels. Each side will have five to ten members at each level.¹¹

Functions :

The scheme contains an elaborate list of functions, as many as 15 at the shop level and 29 at the plant level. These functions are as under:

Functions of Shop Level Council :

The functions of shop level council will cover the production facilities, storage facilities in a shop, material economy, operational problems, equality improvement cleanliness, monthly targets and production schedules, cost reduction programmes, formulation and implementation of work system, design, group working, and welfare measures related particularly to the shop etc.

Functions of the Plant Level Councils :

At the plant level the functions of the council will cover the operational areas, economic, financial, personnel matters and welfare areas including environmental etc.

Functions of the Board Level Council :

At the Board level the workers will take part in all board functions, one of the special functions assigned at the board level would be reviewing the work of the shop and plant level participating forums.

It has been provided in the scheme that at the shop floor and plant levels the participating forums will attempt to arrive at a decision by consensus but where none emerges they will refer the matters to next higher forum. The scope of the functions can be modified by mutual consensus between workers and the management. In order to monitor implementation, and review its working and to suggest remedial measures, a tripartite machinery will be set up in the department of labour.

The need to stimulate a sense of participation in workers' in continually changing set up of modern industry is a vital element of industrial relations. The scheme of participative management at two levels - shop floor and plant level has been made non-mandatory for the present. It is being implemented through executive action. The scheme has been kept flexible so as to allow for local conditions.

Limitations of the Scheme :

The scheme announced by government on 30th December, 1983 is silent on vital points which create a negative apprehension in mind as regards the success of the scheme. The vital issues on which scheme is not explicit are categorised by Mr. G.D. Sane as under:¹²

- (1) The participation process starts with the preparation of the agenda. Would it be prepared with prior consent of workers' representatives. The scheme does not say anything on this point.
- (2) The scheme refers to the manner in which decisions will be taken at the participating forums. The relevant para says that "as the shop floor and plant level, the participating forums will attempt to arrive at a decision by consensus, but where no mutually acceptable consensus is reached, they will refer the matter to next higher forum". But what is the manner in which decisions will be arrived at next higher forum? What happens if no consensus is reached even at the higher forum? Would it be obligatory for the managements as speedily to implement the decisions reached at the participating forums? And in case where the initiative comes from the management side and the participating forum fails to arrive at a consensus. Would it be obligatory for the management not to implement the suggestion for which they have taken the initiative.
- (3) In the establishments where participating forums have been formed, would it be obligatory for the managements not to introduce any change without taking the issues

with the participating forum?

- (4) Another important point which the scheme ignores related to the facts, and detailed informations on which the participating forums has to deliberate or Would it be obligatory for the managements to give all possible details to the forums on the issues being discussed? Would it be obligatory for the managements to supply whatever relevant information is asked for, by the members of participating forums so that they are able to take correct decisions or would it be the managements refusal to give the required details on the grounds that it involves business sector?

New Legislation of the Participative Management Scheme :

The question of proper implementation of the scheme of workers' participation in management has assumed significance again when the Front Government headed by Sri V.P. Singh as Prime Minister, showed its seriousness about it. The government has been declaring time again about the need for its effective implementation. In the 29th session of Indian Labour Conference, the legislation of participative management for its effective implementation was one of the major issue for discussion. In the concern a national debate on

participative management was organised. It was felt that legislation would facilitate implementation of the scheme. For this purpose a bill on workers' participation in management has been drafted and would be presented in the coming session.

4.

The new bill provides for workers' participation in management in every industrial units while earlier legislations restricted the coverage of certain industries and public sector units. The bill further provides that shop-floor council and the joint management council at the establishment level shall consist of equal number of persons to represent the employer and the workmen.

Salient Features of the Participation of Workers in Management

Bill, 1990 :

1. Objectives of Bill :

Bill intends to provide a statutory frame-work for achieving following objectives:

- i) Guidelines for specific and meaningful participation of workers in management at shop floor level, establishment level and board of management level.
- ii) Formulation of schemes to specify detailed criteria for representation of workers on councils, procedures to be followed etc.

- iii) Guidelines for secret ballot for determining the representation.
- iv) Rules to specify powers of inspectors and monitoring committees.

2. Definitions :

- i) A worker is defined as a person employed in any industry to do any manual, unskilled, technical, operational, clerical, supervision, managerial or administrative work.
- ii) A 'workman' means any workers excluding one who is employed mainly in a managerial or administrative capacity or one who being employed in supervisory or administrative capacity, draws wages exceeding Rs. 1600/- p.m.

3. Construction of councils :

- i) Every industrial establishment shall constitute one or more councils at shop floor level and a council at establishment level. These shall be called as 'shop floor council' and establishment council.
- ii) Each council shall consist of equal number of persons to represent the employer and the workman.
- iii) The persons to represent workmen shall be elected by the workmen through secret ballot or through nomination by Trade Unions. Such representative workman shall cease .

be member of council once he ceases to be a workman.

4. Representation in Board :

- i) Each Board of Management shall include persons to represent workmen and workers of the establishment. Such representation will be as following:

Workmen - 13% of the strength of Board

Workers - 12% of the strength of Board.

- ii) Person to represent 'other workers' shall be elected through a secret ballot. Persons to represent 'workmen' shall be either elected through secret ballot or nominated by Trade Unions.

5. Monitoring Committee :

Govt. shall constitute a Monitoring Committee comprising representatives of Govt., workers and employers to monitor the implementation of this bill.

No doubt the new bill is innovative and aims to promote meaningful participation of workers in management. But the mere legislation on workers participation in management is not going to hasten the process of reforms. We have to educate the management as well as the workers to cooperate willingly with open heart without any reservation. The mutual distrust has to

give way to mutual cooperation. This would require necessary change in the minds and hearts of both the parties and creation of necessary environment so that the flowers of WPM may blossom fully to please everyone. What is needed is a strong will on the part of the government, employees and employers to translate the concept of WPM in reality. It has met with a highly limited success so far, but let us hope that the recent efforts would fructify and India will again become a country paving and showing the way to others as to how to establish industrial democracy and making this dream true."¹³

The then Prime Minister, Sri V..P. Singh, organised a National Seminar to discuss the issue. However, political developments and changes took very fast and the present Narsimha Rao Ministry is busy in many other political and economic issues and the scheme of WPM has been side-lined for the time being.

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CHAPTER 5

PARTICIPATIVE MANAGEMENT IN ITI LTD. NAINI, ALLAHABAD - A CASE STUDY

PARTICIPATIVE MANAGEMENT IN INDIAN TELEPHONE INDUSTRIES LTD.NAINI, ALLAHABAD :Introduction :

Indian Telephone Industries Limited, Naini Unit was established in August 1971. It is a unit of Indian Telephone Industries Ltd. Bangalore which is the first public undertaking of India after getting independence of the country. It has its corporate office at Bangalore and manufacturing units located at Bangalore, Raibareilly, Mankapur, Palghat and Sri Nagar (J&K) and sales and services offices at Bombay, Calcutta, Madras and Delhi.

The company is engaged in the manufacturing of telecommunication equipments and transmission lines. It has three divisions, i.e., Transmission Equipment Division, Telephone Instrument Division and Research and Development Division. In Transmission Equipment Division transmission lines and bays are manufactured and supplied to P & T. In Telephone Instrument Division, telephone instruments and spare parts are manufactured and supplied to P & T, Defence, Railway, Government Departments and general customers. In Research and Development Division various projects are undertaken for research and development. It also carryout simplification,

standardisation, diversification and modernisation programmes.

The company is managed by a team of expert professional managers consisting of experts in technical, accounting, purchasing, marketing, industrial and personnel relations and administrative disciplines. All the three divisions are functionally control by one each additional general manager and overall by the General Manager. Authority is delegated by higher level to lower level and responsibility is allocated for smooth functioning of the organisation and performance control as such.

ITI is engaged in manufacture and supply of telecommunication equipments and its spare parts. The main products are oxial line equipment, FDMX equipments, open wire carrier system, PCM system, VHF system, level measuring set and telephone instruments.

Basic organisational units :

The ITI organisation works on the following basic units which activities concerning administration as well as production are performed.

(1) Administrative Department :

The administrative departments are responsible for general administration and personnel management. The general department administers the general, welfare service, medical, educational, recreational and other activities which are deemed essential for the company. These departments have been managed under the administrative and general department:

1. Financial and Accounts Department
2. Mechanical and Civil Engineering Department
3. Medical and Health Services
4. Security Forces
5. Training Schools and other schools
6. Telecommunication
7. Public and Industrial Relation

2. Production Department :

In ITI, Production department is responsible for three division offices which administer to manufacture the product properly. These three divisions are as follows:

(i) Transmission Equipment Division :

Under the supervision of transmission equipment division transmission lines and bays are manufactured and supplied to P & T department.

(ii) Research and Development Division :

In ITI Research and Development Division works under the production department. This division various projects for increasing production and quality control are undertaken for research. Simplification, standardisation, diversification and modernisation programme are also included under this division.

(iii) Telephone Instrument Division :

In this division Telephone Instrument and spare parts are manufactured and supplied to P & T department as also to defence, railways, government department and general customers as well as.

ITI is applying the theory "Grow more consume less, wastage not". Standards are fixed for materials according to technical process layout and are issued for production accordingly. Appropriate margins are fixed for normal wastage in course of production. No materials is issued over and above standards and abnormal wastage and are automatically controlled as such. This results into most economic consumption of materials.

ITI has employed with the provisions of govt. rules in relation to employment of SC & ST. At the time of

investigation, the number of staff including class I, II, III, IV was 4692. The following table shows the strength of employees in the company.

TABLE NO. 2.1

The Strength of Employees in ITI as on 31st March 1989

	Number
1. Managerial (including officers executive)	400
2. Supervisor	1536
3. Skilled	772
4. Semi Skilled	782
5. Non Technical	1043
6. Apprentice	159
Total No. of Employees	4692

In ITI, the management has endeavoured to provide for all possible welfare facilities and amenities. Some of them are: educational, sanitary and medical, adequate canteen, rest and recreation facilities, social insurance scheme, playground and parks, library, reading room and bus service between the city and ITI colony. There is a welfare department which looks after the welfare programmes within the company. For this purpose welfare officer and welfare inspectors have been

appointed to inspect the welfare problems of employees at work. Following measures have been taken for the welfare of workers:

- i) Departmental cooperative scheme
- ii) DRF scheme
- iii) Group Insurance Scheme
- iv) Arrangements for travel to and from work and the accommodation of workers who are employed at a distance from their homes.
- v) Employees of ITI enjoy 30 days earned leave with full pay, 20 days with half pay and 14 casual leave and 18 paid holidays.
- vi) A number of incentive schemes in form of cash, rewards, appreciation, promotion, short term training and refresher course etc. are provided by the administration of ITI to motivate workers to be involved in work as well as other organisational responsibility.

Industrial Relations in ITI :

In the modern complex of industrial production, ITI workers come from different social settings, customs and habit and possess divergent psychological behaviours. But all of

them have to work under one roof and are guided by "the working rules of the enterprise that have been established and implemented by negotiation or by employer statement policy". For the settlement of disputes and grievances of workers, there are two councils under the scheme of participative management, one Functional Management Council at micro level and other is Joint Management Council, at the macro level. Function management council classified in three divisional councils which are: Research & Development Divisional council, Transmission Equipment Divisional Council and Telephone Instrument Divisional Council. The meetings of Functional Management councils are held periodically twice in a month where important subjects of mutual interest relating to the service conditions and other grievances of workers are discussed and finalised. These divisional councils also identify the problems of workers and making them feel that the workers are equal partners in the management of the works. There are several others joint bodies, viz., Sport committee, Housing committee, Canteen committee, safety committee, Area committee and Workers' Welfare committee etc., which are totally advisory nature.

In ITI, there is only one Joint Management Council.

Meetings of the Joint Management Council are held once in a quarterly where the important subject of mutual interest relating to the Financial and Economical matters of the whole organisation are discussed and finalised.

In an industry the disputes are bound to be there between management and union for organisation and its employees. In Naini Unit the disputes had been there since its inception. The major dispute has been from 1978, the BHEL wage parity, for which the union had go on strike, in 1981 for about 24 days and ultimately the Govt./ITI management had to agreed the demand partially in 1981 through mutual discussion and then partially in 1983 still the disputes is pending before National Tribunal for settlement on certain issues. Recently, workers union could get justice through Honourable High Court of Allahabad on the disputes of entry point and proper scales for diploma holder. This demand is pending since 1978.

In ITI, however, an historical event took place in May 1983 when the employees of it agreed to have only one union on a voluntary basis instead of the existing four unions varying at each other. This was done in a democratic fashion by holding a referendum through a secret ballot and electing the office bearer thereafter. Now at present ITI employees have

only once recognized trade union in the organisation.

Although the continuous efforts have been made by the management of ITI to create mutual trust and confidence by appreciating their problem and showing genuine concern towards their solution. It has been another source of motivation to employees for giving their best. The cooperation now forth coming from the employees. In spite of this fact that the factory is located in the green field area where lack of industrial culture and feudal attitudes are still prevailing, ITI is trying to maintain good industrial relations, based on mutual trust and confidence.

Research Methodology :

The present study aims to examine Indian experience in the field of participative management in public enterprises of India. For this purpose, one of the oldest units of public sector ITI Ltd., Naini has been selected.

The study is based on an opinion survey of both the actors in participative management i.e. workers as well as management. For the purpose of the study, the whole unit has been classified into three categories, viz., Management Representatives, Workers' Representatives and Mass of workers

with their respective size of 30, 30 and 4692. The number being small in the first two categories, the complete enumeration was utilised to collect information from the Management Representatives and Workers' Representatives on the Functional Management Councils and Joint Management Council. On the other hand, a proportionate stratified random sampling procedure was adopted to take a sample size of 200 workers, constituting the third category of the population. The sample covers a wide range of factory workers, i.e., from the lowest or unskilled to the highest or skilled cadres and from the lowest paid to the highest paid. To solicit the opinion of the whole unit, three questionnaires have been framed - one for workers' representatives, second for management representatives and the third for mass of workers. In case of ambiguity, interview was sought with the person concerned to seek necessary clarification.

Some secondary data, published in various reports of this unit, have also been used but basically the work is based on the opinion survey conducted by the researcher.

Social Background of the Respondents :

In this chapter, an attempt is made to analyse the social background of three categories of respondents, viz.,

management representatives of Functional Management Council and Joint Council, Mass of Workers and their representatives to the Functional Management Council and Joint Council, who are drawn from diverse socio-cultural background and occupy different status and role position in the ITI. The significant social aspects which have been considered are age, caste status, religion marital status level of education, ecological background, category, monthly income, service experience and trade union membership etc. These social aspects are helpful for this study to determine the willingness of respondents to participate. These social aspects also have significant relationship between workers' propensity to participate.

Several researches have been conducted to identify whether any significant relationship exists between personal attributes of the participants and their level of participative desires.

Beyenon and Blackburn¹ have emphasized the significance of social characteristics of incumbents working in an organisation as an aspect of their biographies influencing their orientation to work as well as an important aspect of components of the "Social Context" at work.

P.P. Arya² in his study of two industries viz., BHEL and ITI Bangalore, identified higher participatory desire of skilled workers as compared to that of semi-skilled and unskilled one. Alexander K.C's³ findings revealed that there was no association between workers' caste, place of origin, level of skill and income and workers' propensity to participate in management, only the level of education was the factor instrumental for significant influence on their interests to participate in management. Tani⁴ also agreed with the view that there was positive correlation between level of education and workers' participation in management.

Relationship between Workers' Propensity to Participate and Social Variable in ITI :

There may be a large number of social factors influencing workers' desire to participate in management. In this section we examine the relationship between age, ecological background, level of education, monthly income and category of skill.

Tables no. 3.1 to 3.5 present the sampling distribution of workers' participatory desire in different types of decisions and its relationship with the personal attributes of the three categories of respondents of the ITI Ltd., Naini.

Age Composition :

Age is the most significant biological criterion which determines sociological maturity. It is one of the important factors which has significant relevance with the rights and responsibilities, work orientation and role performance, interactions and inter personal relation in work condition and participation in policy formulation and decision making process.

The table no. 3.1 shows the different age groups categories. It may be seen that majority of the workers representatives respondents both for the functional management council and joint council belong to the age group of 30 to 40 years, i.e., 75% and 50% respectively. The percentage of the next age group has declined to 25% for the FMC and 30% for the JC. In the age group 50 years and above there is no worker representative for the FMC though there is only 20% for the JC.

The percentage of the management representatives' respondents both the FMC and JC has been higher in the age group 40 to 50 years viz., 45% and 50% respectively and lower in the age group of 30 to 40 years, i.e., 30% and 30% respectively. In the age group of 50 and above it is lowest i.e. 25% and 20%. The same position is held in the total figure.

TABLE NO. 3.1
Respondent's Age Distribution

Age Group in years	Type of Council and Respondents								Age of maas of worker
	FMC				JMC				
	WR	MR	TOTAL	WR	MR	TOTAL	WR	MR	
20-30	-	-	-	-	-	-	-	-	50 (25.0)
30-40	15 (75.0)	6 (30.0)	21 (52.5)	5 (50.0)	3 (30.0)	8 (40.0)	20 (66.6)	9 (30.0)	110 (55.0)
40-50	5 (25.0)	9 (45.0)	14 (35.0)	3 (30.0)	5 (50.0)	8 (40.0)	8 (26.7)	14 (46.7)	35 (17.5)
50 & above	-	5 (25.0)	5 (12.5)	2 (20.0)	2 (20.0)	4 (20.0)	2 (6.7)	7 (23.3)	5 (2.5)
Total	20 (100.0)	20 (100.0)	40 (100.0)	10 (100.0)	10 (100.0)	20 (100.0)	30 (100.0)	30 (100.0)	200 (100.0)

Figures in bracket indicate percentage.

On the side of mass of workers the respondents belonging to the age group 30 to 40 has been in highest percentage (55%) lower in the age group 20 to 30 i.e. 25% and further with the advance in the age beyond 40 i.e. 17.5% in the age group 40 to 50 and only 2.5% in the age group of 50 and above.

The above analysis shows that in ITI Ltd. majority of workers and their representatives belong to middle age group, i.e., 30 to 40 was. At this, middle age group has freedom to work, experience, consciousness and awakening which appears to be well developed for active participation.

Ecological Background :

Ecological background means birth place of the respondents. If respondent has expressed his birth place as a city he has been considered as a urban background, and if he has mentioned it as village he has been taken as of rural background. Both backgrounds give rise to two different patterns of social life.

Table no. 3.2 reveals the majority of workers' representative to the functional management council, i.e., 70%, majority of their representatives to the Joint Council are also 70% and majority of the mass of the workers i.e., 67.5% belong to rural areas.

TABLE NO. 3.2

Ecological Background

Background	Type of Council and Respondents							Mass of worker	
	PMC			JMC			Grand Total		
	WR	MR	TOTAL	WR	MR	TOTAL			WR
Rural	14 (70.0)	3 (15.0)	17 (42.5)	7 (70.0)	2 (20.0)	9 (45.0)	21 (70.0)	5 (16.7)	135 (67.5)
Urban	6 (30.0)	17 (85.0)	23 (57.5)	3 (30.0)	8 (80.0)	11 (55.0)	9 (30.0)	25 (83.3)	65 (32.5)
	20 (100.0)	20 (100.0)	40 (100.0)	10 (100.0)	10 (100.0)	20 (100.0)	30 (100.0)	30 (100.0)	200

Figures in bracket indicate percentage.

On the other side majority of management representatives to the FMC 85% and its representative to the JC viz., 80% belong to urban area. Majority of all workers representatives to both the bodies viz., 70% from rural area and majority of all management representatives viz. 83.3% hail from the urban areas. The rural and urban background affect the participation attitude. Because a rural labour has more cooperative spirit and bent of mind as compared to the urban counterpart. In the other side a urban set up in majority of the management representatives is bound to develop in them individualism, egoism, pride of position and a spirit of aloofness affecting participative attitude.

Level of Education :

Education is of course a new way for generating ideas and consciousness among the people and give them newer and modern outlook.

Table no. 3.3 shows the level of education both the workers and management representatives of Joint Council is higher than Functional Management Council. In the FMC 35% of workerrrs representatives have the intermediate level of education, 25% graduate level, 15% each of High School and Primary level and 10% Junior High School level of education.

TABLE NO. 3.3

Level of Education

1/6

Level of Education	Type of Council and Respondents						Grand Total	Mass of worker	
	FMC			JMC					
	WR	MR	TOTAL	WR	MR	TOTAL			WR
Primary	3 (15.0)	-	3 (7.5)	-	-	-	3 (10.0)	-	50 (25.0)
Junior High School	2 (10.0)	-	2 (5.0)	1 (10.0)	-	1 (5.0)	3 (10.0)	-	47 (23.5)
High School	3 (15.0)	-	3 (7.5)	2 (20.0)	-	2 (10.0)	5 (16.7)	-	68 (34.0)
Intermediate	7 (35.0)	-	7 (17.5)	4 (40.0)	-	4 (20.0)	11 (36.7)	-	25 (12.5)
Graduate	5 (25.0)	12 (60.0)	17 (42.5)	3 (30.0)	6 (60.0)	9 (45.0)	8 (26.6)	18 (60.0)	10 (5.0)
Post graduate	-	8 (40.0)	8 (20.0)	-	4 (40.0)	4 (20.0)	-	12 (40.0)	-
	20 (100.0)	20 (100.0)	40 (100.0)	10 (100.0)	10 (100.0)	20 (100.0)	30 (100.0)	30 (100.0)	200 (100.0)

Figures in bracket indicate percentage.

On the other hand the management representatives 60% have graduate level and 40% post graduate level of education. In the Joint Council 40% of workers representatives have intermediate level 30% graduate level, 20% High School level and 10% Junior High School level of education. The management representatives to this body in majority i.e., 60% have graduate level and 40% post graduate level of education. Among in mass of workers the majority i.e. 34% has High School level, 25% Primary level, 23.5% Junior High School level, 12.5% Intermediate level and 5% Graduate level of education.

Monthly Income :

Income is a basic factor for the economic status and standard of living of people in the society. Income is an important criterion to measure peoples thinking, feeling and behavioural pattern which affects their desire to work.

Table 3.4 shows great disparity in the income of the workers and management representatives. The majority viz., 40% of workers representatives to the FMC is on the income group of Rs. 800-1200, 30% of them are in group of Rs. 1200-1600, 15% in the group of Rs. 1600-2000, 10% in the group of Rs. 2000-2400 and only 5% are in the group of Rs. 2400-2800. On the other side the majority of management representative viz., 40%

TABLE NO. 3.4

Monthly Income of Respondents

Income Group	Type of Council and Respondents										Mass of worker
	FMC						JMC				
	WR	MR	TOTAL	WR	MR	TOTAL	WR	MR	TOTAL	WR	
600-800	2 (10.0)	-	2 (5.0)	-	-	-	2 (6.67)	-	-	-	55 (27.5)
800-1200	8 (40.0)	-	8 (20.0)	1 (10.0)	-	1 (5.0)	9 (30.0)	-	-	-	40 (20.0)
1200-1600	6 (30.0)	2 (10.0)	8 (20.0)	3 (30.0)	-	3 (15.0)	9 (30.0)	2 (6.67)	-	-	90 (45.0)
1600-2000	3 (15.0)	3 (15.0)	6 (15.0)	4 (40.0)	-	4 (20.0)	7 (23.33)	3 (10.0)	3 (10.0)	3 (10.0)	10 (5.0)
2000-2400	1 (5.0)	8 (40.0)	9 (22.5)	2 (20.0)	1 (10.0)	3 (15.0)	3 (10.0)	9 (30.0)	5 (2.5)	-	-
2400-2800	-	5 (25.0)	5 (12.5)	-	4 (40.0)	4 (20.0)	-	9 (30.0)	-	-	-
2800-3200	-	2 (10.0)	2 (5.0)	-	3 (30.0)	3 (15.0)	-	5 (16.66)	-	-	-
3200-above	-	-	-	-	2 (20.0)	2 (10.0)	-	2 (6.67)	-	-	-
20 (100.0)	20 (100.0)	20 (100.0)	40 (100.0)	10 (100.0)	10 (100.0)	20 (100.0)	30 (100.0)	30 (100.0)	200 (100.0)	30 (100.0)	200 (100.0)

to this body in the group of Rs. 2000-2400, 25% in the group of Rs. 2400-2800, 15% in the group of Rs. 1600-2000 and 10% each in the group of Rs. 2800-3200 and Rs. 1200-1600 respectively. The above analysis shows wide disparity in the incomes of the both management and workers representatives.

In the Joint Council the majority of the workers representatives viz. 40% is in group of Rs. 1600-2000, 30% in the group of Rs. 1200-1600, 20% is in the group of Rs. 2000-2400 and 10% is in the group of Rs. 800-1200. The analysis shows that the disparity in the income of management and workers representatives is much more wider in JC which is bound to have its effects in the participative attitude and desire to participate. ¶

The condition of the mass of the workers majority viz., 45% is in the group of Rs. 1200-1600. 27.5% of them are in the group of Rs. 600-800, 20% in the group of Rs. 800-1200, 5% in the group of Rs. 1600-1200 and only 2.5% are in the higher income slab Rs. 2000-2400.

The above analysis shows that the in equality in income affects the feeling of equality and equality which in turn affect working of participative management.

Category :

Category of the workers is also a significant factor for better understanding of the work situation and to achieve organisation goal. Generally expected that skilled workers have higher status and desire more autonomy of work as compared unskilled and semi-skilled workers.

Table no. 3.5 represent the category of the workers and management representatives. It shows out of 20 workers representatives to the functional management councils 80% are skilled, 15% are semi-skilled and 5% unskilled. Out of 10 workers representatives to the Joint Management Council 60% are skilled and 40% semi-skilled. Then on management side out of 20 representatives to FMC 70% are from supervisor rank and 30% are from officers rank but in the joint management council out of 10 management representatives 80% are belong to officer rank and 20% from supervisor rank. Then out of the mass of the workers 60% are skilled 22.5% to semiskilled and 17.5% to unskilled category.

TABLE NO. 3.5

Category of Respondents

Category	Type of Council and Respondents						Grand Total		Mass of worker
	FMC			JMC					
	WR	MR	TOTAL	WR	MR	TOTAL	WR	MR	
Worker									
Skilled Gr.1,2,3	16 (80.0)	-	16 (40.0)	6 (60.0)	-	6 (30.0)	22 (73.33)	-	120 (60.0)
Semi skilled	3 (15.0)	-	3 (7.5)	4 (40.0)	-	4 (20.0)	7 (23.33)	-	45 (22.5)
Unskilled	1 (5.0)	-	1 (2.5)	-	-	-	1 (3.34)	-	35 (17.5)
Management									
Officer	-	6 (30.0)	6 (15.0)	-	8 (80.0)	8 (40.0)	-	14 (46.7)	-
Super- visor	-	14 (70.0)	14 (35.0)	-	2 (20.0)	2 (10.0)	-	16 (53.3)	-
20 (100.0)	20 (100.0)	40 (100.0)	10 (100.0)	10 (100.0)	10 (100.0)	20 (100.0)	30 (100.0)	30 (100.0)	200 (100.0)

Figures in bracket indicate percentage.

Organisational Structure of Participative Management in ITI Ltd., Naini, Allahabad :

Coverage of Participative Management :

In pursuance of scheme of workers' participation in management formulated by Government of India, a two tier scheme of participative management has been introduced in ITI Ltd., Naini, Allahabad. As per this scheme, a Joint Management Council and three Functional Management Councils have been formed at workshop and division level. A brief description of the constitution, function and power of these councils is given below:

Joint Management Council :

There are twenty members in joint management council at macro level out of which ten are nominated by administration and the rest ten are nominated by staff council. The members nominated by administration are:

- i) Chairman - Deputy Chief Mechanical Engineer
- ii) Secretary - Deputy Chief Mechanical Engineer/Production
- iii) Member - Deputy Chief Mechanical Engineer/Quality
- iv) Member - Deputy Chief Mechanical Engineer/Plant & Machinery
- v) Member - Deputy Chief Mechanical Engineer/R & D
- vi) Member - Deputy Chief Mechanical Engineer/Transmission

- vii) Member - Deputy Chief Mechanical Engineer/Telephone Equipment
- viii) Member - Dy. Manager Training
- ix) Member - Asstt. Personnel Officer/Workshop
- x) Member - Dy. Chief Mechanical Engineer/Planning

Following members are nominated by staff council :

Vice Chairman - Joint Secretary of Staff Council and rest nine members are member of staff council which are nominated by the staff council.

The joint secretary of the staff council is vice Chairman of the Joint Management Council and he nominates nine members of the staff council to represent the workers on the Joint Management Council. The term of JMC is co-terminus with that of the staff council.

Functions :

The functions of the joint management council are as follows :

- i) To take measures to maximise productions efficiency and to determine productivity norms of men and machines.
- ii) To perform those functions of functional management councils which are related to the shops/divisions or the whole workshop and which are beyond the purview of

functional management councils.

- iii) To discuss issues referred to it by FMCs.
 - iv) To determine working hours etc.
 - v) To take measures for training of workers.
 - vi) To determine the general work plan and production targets for the workshop as a whole.
 - vii) To suggest measures to improve the quality of the manufactured goods and the utilisation of raw materials.
- In case of emergencies the Chairman would be empowered to call an emergency meeting.

The information regarding the date of meeting, time and venue would be sent generally atleast five days before the date of the meeting, to the members.

- viii) To recommend rewards for the constructive suggestions of workers.
- ix) To make provisions for health and welfare facilities.
- x) No discussion is to be allowed in council over pay scale, allowance, disciplinary action and other subjects relating to a particular ITI workers.
- xi) Chairman's decision regarding the inclusion/exclusion out of any subject in agenda would be final.

Every sitting of the JMC would be held once in a quarter.

Agenda For Discussion :

The management will circulate the items on the agenda for discussion fortnight in advance of the date of the meeting. If any of the members of the forum desire to include any item in the agenda, the same shall be communicated to corporate office atleast 10 days prior to the date of meeting.

Quorum

For the meeting of the joint council the quorum would be one third (1/3) of the nominated members of the administration and staff council separately. Any member who does not attend three consecutive meetings without valid reasons can be removed from the council by adopting necessary resolution by the members.

Functional Management Councils

As per scheme at divisional level or micro level Functional Management Councils are formed :-

Organisation

In ITI, three functional management councils are established :

- i) Transmission Equipment Division Council
- ii) Telephone Instrument Division Council
- iii) Research and Development Division Council.

Constitution of Functional Management Councils in Transmission
Equipment, Telephone Instrument and Research and Development
Division

Following members are nominated by administration :

- i) Chairman - Dy. Chief Mechanical Engineer of
Division concerned.
- ii) Secretary - Asstt. Workshop Manager/workshop
Manager
- iii) Member - Shop Superintendent
- iv) Member - Shop Superintendent, Affiliated to
Division
- v) Member - Shop Superintendent, Inspection

Following members are nominated by staff council :-

- i) Vice Chairman - Member of Staff Council
- ii) Member - -do-
- iii) Member - -do-
- iv) Member - -do-
- v) Member - -do-
- vi) Member - -do-

The Joint Secretary of the staff council nominates six members (Belonging to that division) from among the members of the staff council to represent the laboures at shop council.

If sufficient representatives are not available in the staff council to be nominated to functional management council, the Joint Secretary nominates members from among the worker of the shop, which are not represented at staff council.

He also nominates one member from the workers representatives as Vice Chairman of FMC.

The working period of the FMC is coterminus with the life of staff council.

Functions of Functional Management Councils :

Functional management councils performs following functions :-

- i) To assist in achieving monthly/annual target of production
- ii) To suggest measures to production, productivity and skill which include elimination of wastage and better utilisation of machine and labour.
- iii) To search out specially the low productivity areas and to take corrective measures to improve the productivity in these areas.
- iv) To study the absence of the shop/department and to suggest corrective measures to minimise it.

- v) To assist in maintenance of general discipline in shop/division.
- vi) To provide safety measures.
- vii) To maintain proper contact between administration and workers specially in the field of production, statistics and production programme.
- viii) To implement welfare and hygienic measures for effective operation of shop/division.
- ix) No discussion is allowed in the meeting of the council in relation to pay scale, allowances, disciplinary action and such type of other functions.
- x) The council functions only as an advisory institution.
- xi) Chairman's decision regarding the inclusion or exclusion of any matter in agenda is final.

The meeting of the functional management council are usually held twice in a month. In emergency the chairman is empowered to call an emergent meeting.

The information regarding the date of meeting, time and venue would be sent generally atleast five days before the date of the meeting to the members.

Quorum

The quorum of functional management council is same as

joint management council.

Staff Council :

The staff council has been formed in terms of provisions contained in the Indian Telephone Industry, Establishment Manual. The staff council has 28 elected members representing different shops and offices and one nominated member from class III and eight from officers. Meetings of the staff council are held periodically where important subjects of common interest relating to the service conditions of the staff are discussed and finalised.

Objects of the Staff Council

The main object of the organisation of staff council is to promote co-operation and mutual good relationship between administration and all non-gazetted employees. Its specific objectives are as under :-

- (a) To discuss measures to increase efficiency and improve administrative procedures,
- (b) To function as welfare committee and advise on welfare programmes.

The council not only discusses the problems of employees alone but also extends its advice to the administration on

various aspects of Telephone Industry and those functions which are closely related to them.

Proceedings of the Functional Management Councils and Joint Management Councils Meetings

The success of a particular participative management in its functioning mainly depends upon its decision making performance. The term 'functioning' involves various activities to be performed, the necessary steps and measures to be taken for the performance of the functioning including the various procedures, right up to the taking of decisions and their implementation. Decisions are taken in the meetings as the result of joint efforts of the workers and management in any joint forum. Regular meetings are thus the backbone of a successful institutionalised participative system.⁵

The proceedings of both the councils will be examined separately under the following heads:

- (1) Meetings of the FMCs and JMC their frequency, attendance in them, preparation and circulation of notice and agenda for them. Their quorum minutes etc.
- (2) Subject actually discussed in the FMCs and JMC meetings i.e., frequency of new issues initiated and repetition of the old ones, subject matterwise analysis of the issues

discussed.

- (3) Decision-making performance of the FMCs and JMC.
- (4) Implementation of the decisions arrived on the meetings of the councils with reference to its extent, quality and communication etc.

Proceedings of The Functional Management Councils' Meetings :

In ITI the FMCs are advisory bodies which is established in the model constitution of government of India. According to ITI constitution the main functions of FMCs is to increase production, productivity and over all efficiency of the department. For this purpose to achieve the goal ITI constitution describes that the meeting of the FMCs are usually held twice in a month.

The main purpose of the meeting of any participative organ is to arrive at an acceptable decision to the participants over the issues or the problem raised. Once a decision is arrived at, undoubtedly, its implementation become necessary for the success of the participative scheme. If proper implementation of decision does not take place, members, especially worker's representatives, are likely to lose faith in the utility of the scheme, and this may

adversely affect their attitude towards participation."⁶

A critical analysis has been done on the basis of frequency of meetings. Attendance trend, preparation and circulation of notice and agenda etc.

Frequency of Meetings :

The table no. 4.1 shows the frequency of meetings of all Divisional Functional Management Councils held during the three years i.e. from 1986-1987, 1987-1988 and 1988-1989.

Transmission Equipment Divisional FMC :

The table no. 4.1 shows that while during 1986-87 62.5% of scheduled meetings were held, in 1987-88 they were held only 58.3% which is improved in 1988-89 i.e. 66.7%.

Telephone Instrument Division FMC :

For the TID FMC the percentage of meetings held during the three years has been 50%, 66.7% and 54.2% and overall position during 1986 to 1989 is 54.6%.

Research and Development FMC :

In this division the percentage of meeting in the first year was 45.8% but came down to 37.5% in the second year then it slowly rose to 50% in third year.

TABLE NO. 4.1

Number and Percentage of Meeting held at Different Divisional Council from April 1986 to March 1989

Name of council	Yearwise Meetings due to be held and meeting actual held						Grand Total	
	1986-87		1987-88		1988-89		1986-89	
	Due	Held	Due	Held	Due	Held	Due	Held
T.E.D. Council	24 (100.0)	15 (62.5)	24 (100.0)	14 (58.3)	24 (100.0)	16 (66.7)	72 (100.0)	45 (62.5)
T.I.D. Council	24 (100.0)	12 (50.0)	24 (100.0)	16 (66.7)	24 (100.0)	13 (54.2)	72 (100.0)	41 (56.9)
R & D Council	24 (100.0)	11 (45.8)	24 (100.0)	9 (37.5)	24 (100.0)	12 (50.0)	72 (100.0)	32 (44.4)
	72 (100.0)	38 (52.8)	72 (100.0)	39 (54.2)	72 (100.0)	41 (56.9)	216 (100.0)	118 (54.6)

Figures in bracket indicate percentage.

Consolidated Position of All Three division :

The analysis of table 4.1 describes that 72 meetings due to be held according to constitution of ITI Ltd. in the three years in each division, the number of meetings held has been 45 in Transmission division, 41 in Telephone Instrument Division and 32 in Research and Development division. Then all the three divisional FMCs during three years 118 meeting were held against the 216 meeting which ought to have been held viz. to the extent only 54.6%. Thus the analysis of the table shows during the three years in all the three division of FMCs meetings were held only to the extent of 54.6% which is in fact a deplorable position.

Attendance of the Members of FMCs :

The attendance trend of the representatives in the meeting held indicates the degree of interest of either parties involved in FMCs. Larger the size of the representatives attending the meetings, the greater is their faith and confidence towards FMCs. Attendance of the representatives (both of the workers and management) varies due to several reasons, e.g. delay in timely notice circulation, lack of agenda representing mutual interest, time of meeting held etc. Apart from these common reasons, attendance of the representa-

tives of the workers in the FMCs' meetings depends on the attitude of the management towards them, workers' awareness towards importance of the FMCs, belief amongst the workers' representatives that their ideas and suggestions are recognised by the management.

TABLE NO. 4.2

Aggregate Attendance of the Management and Workers Representatives at Functional Management Councils Meeting During all the Three Year Under Study

Division	Total No. of meetings studied	Total No. of members in Diferent council		Total attendance	
		Worker	Mana- gement	WR	MR
T.E.D. council	45	6	6	135 ¹ /270 ² (50.0)	225 ¹ /270 ² (83.3)
T.I.D. council	41	6	6	122/246 (49.6)	164/246 (66.7)
R & D council	32	6	6	147/192 (76.8)	182/192 (94.8)
	118	18	18	404/708 (57.1)	571/708 (80.7)

Note: 1. Total no. of representatives actually attending the meeting

2. Total no. of representatives which ought to have attended the meeting determined by multiplying the total no. of representatives with the number of meeting studied.

With a view to maintain regularity in the participation of both the workers and management representatives in the meetings, ITI FMCs passed resolutions on different dates providing that any representative could be expelled from the membership of the FMC, if he failed to attend three consecutive meetings.

Attendance Trend of the Workers and Management Representatives in FMCs :

In the TED council the data of table 4.2 shows that the ratio between workers representatives and management representatives attendance percentage has been 50:83.3, Telephone Instrument Division Council 49.6:66.70 and Research and Development Division Council 76.6:94.8. For all the division put together the ratio of the attendance of the workers and management representatives is 57.1:80.7. Thus table analysis shows invariable attendance trend of the workers representative in proportion that of management representatives indicates that workers representatives in functional management councils were not very keen to participate in the meeting.

Quorum for Meetings :

It has been mentioned in ITI constitution regarding the quorum for the conduct of FMCs meetings. There should be 1/3rd

of presence of each party, management and workers' members. But the study of the minutes of different FMCs as well as interviews held with the councils members have revealed that often the meetings were held when the quorum was incomplete and thus they violate the constitution.

Notices for Meetings and Preparation and Circulation of Agenda
Circulation of Notices :

Notice of the meetings were issued by circulating a register to all the member of the FMCs. The rules of meetings states that notices of meeting must contain the agenda so that the members can know not merely what is to be discussed in meetings, but also be thoroughly prepared to participate effectively in the discussions. Despite of constitutional provision that notice of the meetings shall be sent individually to the members generally 5 days before to the date of the meetings. The investigations revealed that in many cases notices were not circulated in accordance with the rules. And this resulted in thin attendance of the members in the FMCs meetings. Consequently this led to discontent among the members of the FMCs. For instance, in R & D FMC meeting held in March 1989, one of the workers, representative raised issue about non-receipt of any notice regarding meeting. Even

the Research and Development Division Council's secretary was against the poor circulation of notices to the FMCs' members.

Agenda Preparation :

In principle, it is the duty of the Chairman and the Secretary of functional management councils to prepare agenda after wide contact with the representatives of both the workers and management and then to issue notices to all the members of the FMCs giving agenda and date of the meeting.

It is evident that when Chairman of functional management councils who is the management representative, consults his colleagues on the content of the agenda he obviously consults the management representatives.

Interviews with the workers' representatives revealed that they did not send their proposals for the preparation of agenda, because they were not certain of their inclusion therein. And even if they were included the management representatives might not allow discussion on them. Even if positive decision was arrived at, they felt doubtful of their implementation. Their feelings were that the management would do, as it wished or suited it and therefore, they did not bother to send items in advance. Thus it was the Secretary who

had to prepare items for agenda after the prior approval of the Chairman.

Although members were free to raise issues in the meeting with the approval of the Chairman, due to ignorance of the problems to be discussed in a particular meeting workers' representatives and also a few management representatives (like Secretary) felt difficulty in thoughtful and constructive participation.

Performance of Functional Management Council :

The performance of these FMCs has been examined on the basis of the number of issues raised, nature of issues discussed, issues raised by representatives of the workers and management, degree of management acceptance of FMCs decisions and the extent of implementation of the decision accepted. In order to assess the interest of the workers towards FMCs formation, an attempt has been made to identify the degree of workers' involvement in the various activities of the FMCs.

Issue Raised :

The analysis of the table 4.3 dealing with different divisional FMCs reveals that in Transmission Equipment Division during the three years under study 146 (new and old)

TABLE NO. 4.3

Councilwise Consolidated Position of Inssues Initiated per Meeting of the Function Management Councils During the Three Years Under Study

Name of FMC	Year (3 years)	Total No. of meeting studied	New issues	Old issues	Total	No. of issues discussed per meeting	
						New issues	Old issues
T.E.D. Council	1986-87	45	87 (59.6)	59 (40.4)	146 (100.0)	1.93	1.31
	to 1988-89						3.24
T.I.D. Council	1986-87	41	109 (42.9)	145 (57.1)	254 (100.0)	2.65	3.54
	to 1988-89						6.17
R & D Council	1986-87	32	60 (39.5)	92 (60.5)	152 (100.0)	1.87	2.87
	to 1988-89						4.74
		118	256 (46.3)	296 (53.4)	552 (100.0)	2.16	2.51
							4.67

Figures in bracket indicate percentage.

issues were taken up in 45 meetings during three years. Only 87 issues were new and rest 59 issues were old issues. In term of percentage they consisted 59.6% and 40.4% respectively.

The analysis of table no. 4.3 shows that in Telephone Instrument division Council the number of issues were 254 (old and new) were raised in 41 meetings during the three years, 109 were new issues and 145 were repetition of old issues giving a percentage of 42.9 and 57.1 respectively.

Similarly in the Research and Development Divisional Council 152 issues (old and new) were raised in only 32 meetings during the three years 60 i.e. 39.5% consisted of new issues and 92 i.e. 60.5% consisted of old issues.

The above analysis shows that the trend of issues (old and new) indicates that the number and percentage of old issues were only repetition. Those percentages were higher than new issues in Telephone Instrument Division and Research and Development Division i.e. 57.1% and 60.5% only in Transmission Equipment Division percentage of new issues has been higher than the old issues i.e. 59.6% and this difference is not significant.

Consolidated Position of Issues Initiated per Meeting :

Table no. 4.3 pointed out that in 118 meeting 552 issues were raised. Out of this the old issues were 296 to the extent of i.e. 53.4% while the number of new issues dealt with 256 i.e. 46.3% indicating not a impressive position. The above analysis clearly shows that Functional Management Councils meetings lost their interest and proved boring because the deal in a great majority with old issues leaving a small area for dealing with new issues. It reveals a symptom of decreasing interest for participation among the workers' representatives.

Subject Matterwise Analysis of the Issues Raised and Discussed in Different Divisional Councils :

Table no. 4.4 illustrate the subject of issues raised in Functional Management Councils during the three year under study. Table no. 4.4 describe that the subject matter raised and discussed has been classified in five subject group which are as follows:

1. Production and Productivity Group :

Under this group the following heads of the issues have been included:

TABLE NO. 4.4

Issues Initiated in FMCs Meetings (Subject Matterwise Consolidated Position of Each Division) During Three Year Under Study

Name of FMC	Production and Productivity Group					Welfare and Working Group						Total
	Production	Reward	Incentives	Communication	Training	Elimination of wastage	Safety	Health & welfare	Physi-cal working condition	Discipline	Absenteeism	Misc.
TED	32	1	3	-	3	7	9	15	12	1	3	1
	(36.9) (43.3)	(1.1) (25.0)	(3.0) (25.0)		(3.0) (42.9)	(8.0) (22.6)	(10.0) (37.5)	(17.3) (35.7)	(13.8) (30.0)	(1.1) (25.0)	(3.4) (75.0)	(1.1) (10.0)
TID	27	2	7	3	2	16	12	13	17	2	-	8
	(24.8) (36.5)	(1.8) (50.0)	(6.4) (58.3)	(2.8) (75.0)	(1.8) (28.5)	(14.7) (51.6)	(11.0) (50.0)	(11.9) (31.0)	(16.5) (42.5)	(1.8) (50.0)	-	(7.3) (80.0)
R & D	15	1	2	1	2	8	3	14	11	1	1	1
	(25.0) (20.3)	(1.7) (25.0)	(3.3) (16.7)	(1.7) (25.0)	(3.3) (28.6)	(13.3) (25.8)	(5.0) (12.5)	(23.3) (33.3)	(18.3) (27.5)	(1.7) (25.0)	(1.7) (25.0)	(1.7) (10.0)
	74	4	12	4	7	31	24	42	40	4	4	10
	(28.9) (100.0)	(1.6) (100.0)	(4.7) (100.0)	(1.6) (100.0)	(2.7) (100.0)	(12.1) (100.0)	(9.4) (100.0)	(16.4) (100.0)	(15.6) (100.0)	(1.6) (100.0)	(1.6) (100.0)	(3.9) (100.0)

Figures in bracket indicate percentage. The percentage figures at top of each bracket are percentage of horizontal row. The percentage figures in bottom of each bracket of the vertical total of each column.

- (a) Issues on improvement of production and productivity
- (b) Reward
- (c) Training
- (d) Incentives
- (e) Elimination of wastage

2. Welfare and Working Condition Group :

Under this subject group the following subjects have been taken:

- (a) Safety
- (b) Health and welfare
- (c) Physical working conditions

3. Absenteeism

4. Discipline

5. Miscellaneous Group:

The miscellaneous subject group covers issues concerning personnel subject, i.e. service condition, appointment, transfer, promotion etc.

Councilwise Analysis :

In respect of issues raised in each divisional councils production and productivity and welfare & working condition group take first and second place respectively.

TABLE NO. 4.5

Consolidated Position of the Groupwise Subject Raised in Each Divisional Functional Management Council During Three Years Under Study by Their Order of Position

Name of the FMC	Order of Position of each group				
	I	II	III	IV	V
TED Council	Production & Productivity (52.9)	Welfare & Working condition (41.4)	Absenteeism (3.4)	Discipline (1.1)	Miscellaneous (1.1)
TID Council	Production & Productivity (52.3)	Welfare & Working condition (38.6)	Miscellaneous (7.3)	Discipline (1.8)	Absenteeism
R&D Council	Production & Productivity (48.3)	Welfare & Working condition (46.6)	Absenteeism Discipline Miscellaneous (1.7)	-	-

Figures in bracket indicate percentage.

In Transmission equipment divisional council production & productivity group occupied first place (52.9%) followed by welfare and working condition were in second place (41.4%), absenteeism third (3.4%) while discipline and miscellaneous group stand last (1.1%) each (Table no. 4.5).

In Telephone Instrument Division production and productivity group were again in first place (52.3%), welfare and working condition took second position with 38.6%, miscellaneous group third position with 7.3%. Discipline took fourth position (1.8%) while absenteeism was negligible in Telephone Instrument divisional council meetings (Table no. 4.5).

In Research and Development Divisional Council the issue relating production and productivity and welfare and working condition group were given top most and second most important place like in above two divisional councils. Table no. 4.6 shows production and productivity group was in first place viz., 48.3% followed by welfare and working condition group in second place viz. 46.6%, Discipline, Miscellaneous and Absenteeism occupied third position viz. 1.7% each.

Thus the analysis shows that in functional management councils meetings, the issue raised and discussed trend is on

laying attention on the issues relating to production and productivity group as well as welfare and working condition group.

Memberwise Initiation of Issues in FMCs Meetings :

Table no. 4.6 illustrate memberwise initiation of issues in all divisional councils. In TED council 77% of issues raised by workers representatives and 23% of issues by management representatives. In TID Council 71.6% of issues were initiated by workers' representatives and 28.4% were initiated by management representatives. Similarly in R & D Council 75% of issues were raised by workers representatives

TABLE NO. 4.6

Memberwise Raised of Issues in FMCs Consolidate Position

Name of council	Issues raised	WR	MR
T.E.D. Council	87 (100.0)	67 (77.0)	20 (23.0)
T.I.D. Council	109 (100.0)	78 (71.6)	31 (28.4)
R & D Council	60 (100.0)	45 (75.0)	15 (25.0)
	256 (100.0)	190 (74.2)	66 (25.8)

Figures in brackets indicate percentages.

while only 25% of issues were raised by management representatives. The analysis shows that the percentage of issues raised by workers' representatives in all divisional councils has been uniformly much higher than the percentage of the issues initiated by the management representatives. It means that workers representatives have taken most interest in the working of divisional councils and have a sense of participation while on the other hand management representatives do not take these divisional councils as organ of participative management, where issues can be discussed on equal manner and where it should come out with its own proposals, inviting discussions thereon, with the workers representatives.

Decision-making Performance of FMCs :

While evaluating the working of functional management councils the analysis of the number and nature of issues raised alone is not significant, it is also necessary to assess the functional management councils' decision making performance. In order to assess the functional management councils' capacity to reach decisions, on the issues raised and discussed, the result of the discussion has been classified into the following three categories:

- i) Positive Decisions
- ii) Negative Decisions and
- iii) Issues referred to joint Management council

TABLE NO. 4.7.

Decision-Making Performance in FMCs Representativewise

Initiator of issues	No. of issues	Positive	Negative	Issue referred to JMC
M.R.	66 (100.0)	53 (80.3)	13 (19.7)	-
W.R.	190 (100.0)	102 (53.7)	87 (35.3)	21 (11.0)
	256 (100.0)	155 (60.5)	80 (31.3)	21 (8.2)

Figures in bracket indicate percentage.

Table no. 4.7 describes the actual position of decision making performance of the functional management councils. The table shows that total 66 issues were raised by the management representatives, in which 53 (80.3%) resulted positive and 13 (19.7%) were negative. While in other hand 190 issues were initiated by workers' representatives 102 (53.7%) resulted positive and 87 (35.3%) were negative.

The table 4.7 shows that none of the issues raised by the management representative was referred to JMC while in other side 21 issues raised by workers representatives viz., 11% were referred to JMC. Thus these issues could not take the shape of positive decisions in the functional management councils. In other sense the authority of management representatives dominated over the authority of workers' representatives particularly because none of the issues raised by the management representatives were referred to JMC.

Divisionwise Analysis of Decision Making Performance :

Table no. 4.8 shows the actual position of all three divisional councils decision making performance. In the TED Council out of 87 issues discussed, 52 i.e. to the extent of 59.8% resulted in positive decisions 24, i.e. 27.6%, resulted negative decisions and 11, i.e. 12.6%, were referred to Joint Management Council. In TID Council out of 109 issues raised and discussed, 68 i.e. 62.4%, resulted in positive, 35 or 32.1% in negative decisions and 6 i.e. 5.5% issues were referred to JMC. Similarly, in R & D Council out of 60 issues taken up, 35 (58.3%) resulted in positive decisions, 21 (35%) in negative and 4 (6.7%) of issues referring to Joint Council.

TABLE NO. 4.8

Decision Making Performance in FMCs Divisionwise

Name of FMC	Total issues discussed	Positive	Negative	Referred to JMC
TED	87 (100.0)	52 (59.8)	24 (27.6)	11 (12.6)
TID	109 (100.0)	68 (62.4)	35 (32.1)	6 (5.5)
R & D	60	35 (58.3)	21 (35.0)	4 (6.7)
	256 (100.0)	155 (60.5)	80 (31.3)	21 (8.2)

Figures in bracket indicate percentage.

The consolidated position is that out of 256 issues 155 or 60.5% resulted in positive decisions, 80 or 31.3% in negative decisions and 21 or 8.2% of issues referred to JMC.

Thus the analysis shows on the majority of issues, positive decisions were taken, only small percentage of issues were referred to JMC which indicate the active working of functional management councils.

Implementation of Positive Decisions :

Not by merely taking positive decisions by FMC, can it be said that there is abundant scope of workers' participation in

an organisation. The working efficiency of the participative body depends on the extent to which the management considers its necessary to take immediate steps over the decision arrived at jointly. A decision that remains in implemented results in disinterestedness among the parties involved in such decisions.

TABLE NO. 4.9

Implementation of Positive Decisions Councilwise Position

Name of FMC	Total no. of issues discussed	Total no. of positive decisions taken	No. of positive decisions implemented
T.E.D.	87 (100.0)	52 (59.8)	22 (42.3)
T.I.D.	109 (100.0)	68 (62.4)	37 (54.4)
R & D	60 (100.0)	35 (58.3)	19 (54.3)
	256 (100.0)	155 (60.5)	78 (50.3)

Figures in bracket indicate percentage.

Table no. 4.9 illustrate the position of implementation of positive decisions. The table shows that out of 155 positive decisions amounting to 60.5% of the total issues raised, the implementation was done to the extent of 50.3%

which is 1/3 of issues raised and discussed. This is a very deplorable situation. Divisional councilwise position is that in the Transmission Equipment Division 42.3% in the Telephone Instrument Division 54.9% and in Research and Development Division 54.3% of positive decisions were implemented. Table analysis shows the implemented decisions in all three divisional councils are very little not more than 1/3rd of the total number of issues discussed. This is a very disappointing condition of participative management because un-implemented decisions develop a sense of frustration amongst the workers who begin to lose interest in functioning of functional management councils.

FUNCTIONING OF JMC :

Frequency of Meetings :

In accordance with model conceptualised by the government of India, Joint Management Council is expected to meet atleast once in a quarter month. ITI constitution also prescribed its meeting must be held once in a quarter.

Table no. 4.10 has information regarding frequency of meeting. The table shows that out of 12 meeting required to be held in three years 11 i.e. to the extent of 91.7% were held.

TABLE NO. 4.10

Number and Percentage of Meetings Held Yearwise Position

Year	No. of meeting due	Actually held
1986-87	4	3 (75)
1987-88	4	4 (100)
1988-89	4	4 (100)
	12	11 (91.7)

The yearwise analysis indicates that in the year of 1986-87 4 meetings were due but only 3 meeting to the extent of 75% were held. In the year of 1987-88 and 1988-89 all the meetings i.e. 4 or 100% were held.

The analysis shows that 1986-87 is not best period for Joint Management Council's meetings because during this year whole meeting were not held in this year.

Attendance in The Meetings :

ITI constitution provide a law that any member who does not attend three consecutive meetings without valid reasons can be removed from the council membership by passing necessary resolution by the members.

TABLE NO. 4.11

Consolidated Attendance Position of The Member of JMC in its Meetings Held During The Three Years Under Study

Total No. of meetings	Total no. of members in JMC		No. and percentage of attendance of member	
	WR	MR	WR	MR
11	10	10	75/110 (68.2)	98/110 (89.1)

In table no. 4.11 the position regarding attendance clears that during three years understudy the aggregate number and percentage of attendance of workers representatives were 75 (68.2%) out of 110 and that of management representatives was 98 (89.1%) out of 110 against the total number of 11 meetings studied though the attendance of members in joint management council is good but the position is not to be said satisfactory because it is expected that when the meetings of a body at plant level are held after three months gap to take up issues including those referred by functional management councils, the attendance should be cent percent.

Quorum, Notice and Agenda

Quorum :

It has been provided in ITI constitution regarding the quorum for the conduct of JMC meetings there should be one

third presence of each party management and workers' representatives. It is satisfying quorum that all the JMC meetings were held with full quorum.

Circulation of Notices :

Before the joint management council meetings started, notices were issued by circulating a register to all the member of the JMC. The rules states that notices of meeting must contain the agenda so that the members can know not merely what is to be discussed in the meetings but also be thoroughly prepared to participate effectively in the discussions. Investigation revealed that mostly notices for the meetings are served individually through the shop supervisor from two or three days in advance. Generally it seems that notices were not served according the rules of serving notices 5 days prior to the meeting and this resulted in low attendance of members in the JMC meetings.

Agenda Preparation :

In fact, Agenda for these meetings are not prepared in advance but matters are raised then and there are if admitted by the Chairman, discussions ensue on them and decisions are taken. Any member of the council is free to raise any problem for discussion at the meetings as long as it is within the

confines of the constitutionally prescribed topics for consideration. Notices for meetings must contain also the agenda for the meetings so that thoughtful participation of each council member could be ensured. But in the ITI there is complete absence of any practice of preparing pre meeting agenda and therefore, the notices for the meetings keep the members unaware of the matters to be discussed there and unprepared for giving proper data and thereby arriving at right decision.

Issues Raised and Discussed in the Joint Management Council Meetings :

During the three years 12 meetings required to held but only 11 meetings were held and studied. In these meetings two types of issues were raised and discussed. Firstly the new issues were initiated and secondly the old issues were taken up. The information about these issues as well as the number of new and old issues raised and discussed per meeting are given in the table no. 4.12. The table shows that on the whole in the 11 meetings during the three years 153 issues (old and new) were raised and discussed. Table shows that 13.9 issues raised and dealt per meeting. Out of 153 issues initiated 96 (62.7%) were the new issues and 57 (37.3%) were old issues.

TABLE NO. 4.12

Issues Raised and Discussed in Joint Management Council Meetings (Yearwise Distribution)

Year	No. of meetings studied	New issues	Old issues	Total	No. of issues discussed per meetings		
					New issues	Old issues	Total of both
1986-87	3	25 (59.5)	17 (40.5)	42 (100)	8.3	5.7	14.0
1987-88	4	46 (86.8)	7 (13.2)	53 (100)	11.5	1.8	13.3
1988-89	4	25 (43.1)	33 (56.9)	58 (100)	6.3	8.2	14.5
	11	96 (62.7)	57 (37.3)	153 (100)	8.7	5.2	13.9

Figures in bracket indicate percentage.

The table indicates that in 1986-87 42 issues were raised and discussed in three meetings. In which 25 issues i.e. 59.5% were new issues and 17 i.e. 40.5% were old issues initiated. Calculate at the rate of per meeting the number of new and old issues comes to 8.3 and 5.7 respectively.

During 1987-88 four meetings were studied 46 new items and 7 old items dealt with, giving a relative proportion 86.8:13.2%, the per meeting rate being 11.5 and 1.8 for new and old issues respectively.

In 1988-89, in the four meetings 25 new issues and 33 old issues were taken up giving a proportion of 43.1:56.9%, the rate per meeting being 6.3 and 8.2 for new and old issues respectively.

The above analysis shows that the year 1987-88 seems to be best because the rate of new issues 11.5 the highest in all the year and old issues were 1.8 the lowest in all the year.

Subject matterwise issues raised and discussed in JMC meetings

Table no. 4.13 describes the subject matterwise issues raised and discussed in the meetings of joint management council during the three year under study. Table shows the number of new issues raised and the old issues repeated. The total number of new issues initiated amounted to 96. Out of this, in production and productivity group, 22 (22.9%) referred to production, 3 (3.1%) to raw material, 2 (2.1%) to work planning 4 (4.2%) to quality control, 5 (5.2%) to incentives and 1 (1.1%) to training. Then in welfare and working condition group 9 issues (9.4%) were related to health, 12 (12.5%) issues to safety and 15 (15.6%) issues to physical and working condition. Then 3 issues (3.1%) referred to discipline, 4 (4.2%) issues related to absenteeism and 16 (16.7%) issues referred to miscellaneous group.

TABLE NO. 4.13

Subject Matterwise Distribution of Issues Initiated and Dealt with in JMC

Types of issues	Production & Productivity Group				Welfare and Working condition group				Total				
	Production	Raw Mat.	Work Planning	Quality Incen- tives control	Train- ing	Health Safety	Physical working condition	Disci- pline		Absen- teeism	Misc.		
New issues	22 (22.9)	3 (3.1)	2 (2.1)	4 (4.2)	5 (5.2)	1 (1.0)	9 (9.4)	12 (12.5)	15 (15.6)	3 (3.1)	4 (4.2)	16 (16.7)	96 (100.0)
Old issues	7 (12.3)	1 (1.8)	1 (1.8)	1 (1.8)	8 (14.0)	2 (3.5)	4 (7.0)	9 (15.8)	6 (10.5)	1 (1.8)	3 (5.3)	14 (24.6)	57 (100.0)
	29 (19)	4 (2.6)	3 (2.0)	5 (3.3)	13 (8.5)	3 (2.0)	13 (8.5)	21 (13.7)	21 (13.7)	4 (2.6)	7 (11.6)	30 (19.6)	153 (100.0)

Figures in bracket indicate percentage.

During these three year 57 issues were old, repeated in different meetings. Out of this 7 (12.3%) related to production, 1 (1.8%) each referred to raw material, work planning and quality control respectively, 8 (14%) issues to incentives and 2 (3.5%) to training. They all make up a total 20 and have been shown in the production and productivity group. Then 4 (7%) issues referred to health, 9 (15.8%) to safety and 6 (10.5%) issues to physical working condition group totaling 19 as shown in the table under the welfare and working condition group. 1 (1.8%) issues related to Discipline, 3 (5.3%) to Absenteeism and 14 (24.6%) issues related to miscellaneous group.

Memberwise initiation of issues :

Out of 12 meeting 11 meeting were held. During these meeting a total number of 96 issues were discussed, in which 57 (59.4%) issues raised by workers' representatives and only 39 (40.6%) issues were raised by management representatives. If these figures are considered per meeting, the workers' representatives contribution comes to more than 5 issues per meeting and the other side that of management representatives more than 3 issues per meeting giving a proportion of 5:3. This is indication of the interest exhibited by the workers

and management representatives in the working of scheme of the joint management council.

Decision Making Performance :

During the three year under study out of 96 issues dealt with by the Joint Management Council, on some positive decisions took place, some resulted negative decisions and some remained unresolved or were kept pending for future discussion. It has been found that majority of issues i.e. 43 (44.8%) resulted in positive decisions and 35 (36.5%) were resulted negative. The number and percentage of issues remaining unresolved or pending were 18 (18.7%) for future discussion. The analysis shows not a satisfactory position of joint management council regarding decision making performance, because the interest of the worker in such a scheme become enthusiastic only when the positive decisions are at high rate and at the same time the suspense and uncertainty are not promoted by keeping such a high percent of issues, i.e., 18.7% pending or unresolved.

Implementation of Decisions :

We find only 43 decisions or 44.8% of the issues raised and discussed resulted in positive decisions and out of this (43) only 27 issues could be implemented giving a percentage

39.5 of the positive decisions and only 17.7% of issues discussed. This situation seems that the rate of implementation of decisions is disappointing and unsatisfactory because only 17.7% of the issues raised and discussed or 39.5% of the positive decisions were implemented. If such an important body at plant level viz. joint management council shows hopelessly poor record of implementation, it leads to conviction, that the management which is also implementation body has not taken up the joint management council as a significant organisation.

Impact :

Regarding impact, the views of the various respondents as management representatives, workers representatives and mass of workers on average for the various dimension has been investigated separately as well as on the whole. The opinion expressed has been classified in (a) positive, (b) negative, (c) no impact, (d) uncertain. In the above opinion positive opinion means acceptance of participative management in favourable impact. Negative opinion means unfavourable impact. No impact means that participation has not effective at all while uncertain means not knowing at all about the impact either positive or negative.

Views of the workers representatives regarding the impact of participative management :

We have found that on the average 27.8% of the workers representatives held positive opinion about the impact of participation on production and efficiency. Then 11.7% held no impact and none of them held negative opinion regarding this aspect 60.5% of workers representatives was not knowing about the impact either positive or negative. For the labour 14.5% of workers representatives held positive opinion, 24.4% of them considered that there was no impact while none of them held negative opinion about this impact. A majority of 61.1% of workers representatives on the average was uncertain about it. For the industrial relations on average 20% held positive opinion, no one at all held negative opinion, 33.3% of them on average held the opinion of no impact and 46.7% of them were uncertain regarding this impact. For the elimination of sense of alienation while 16.7% of workers representative held positive opinion, none held negative opinion, 36.7% of them held the no impact opinion and a majority of 46.6% were uncertain about the impact of sense of alienation.

The opinion on 6 different items under the dimension of production and efficiency has been positive within the range

of 10% for reduction in absenteeism to 40% for optimum utilisation of raw material of them. 36.7% of them held positive opinion about elimination of wastage, 30% of them held positive for reduction in cost of production, 26.7% held their positive opinion for increase in output and 23.3% of them held their positive opinion for improvement of quality of output. For these items none of them held negative opinion, a majority of 76.7% them for reduction in absenteeism, 70% of them and 60%, 53.3%, 53.3% and 50% of them for improvement of quality of output, increase in output, reduction in cost of product, elimination of wastage and optimum utilisation of raw material respectively were uncertain about the impact while range of percentage of them with the opinion of no impact has been 6.7% to 16.7% of workers representatives held no impact opinion for reduction in cost of production while 6.7% held their no impact opinion towards improvement of quality of output.

For the three items under the dimension of Labour and Welfare, a majority of the workers representatives viz. 63.3%, 63.3% and 56.7% of them were uncertain about this impact while none of them held negative opinion. A small minority of them i.e. 20%, 16.7% and 6.7% holding positive opinion for improve-

ment in congenial working conditions, improvement in safety and health and welfare respectively and percentage viz., 16.7%, 20% and 36.6% holding no impact for respective items.

For the four items under the dimension of industrial relations a majority of workers representatives viz., 50%, 50%, 40% and 46.7% of them were uncertain about the impact on improvement in general discipline, resolution of grievances and disputes, improvement in communication between workers and management and improvement in cordial and cooperative relations between workers and management respectively and only 20% of them each holding positive opinion for those respective items. Again while none of them held negative opinion and a higher percentage of them viz. 30%, 30%, 40% and 33.3% held the no impact opinion as compared to their positive opinion.

Then for the sense of alienation the five items under this dimension, viz., increase in workers sense of responsibility, reduction in workers attitude of resistance to change and sense of powerlessness, increase in the workers sense of involvement in work/factory and sense of satisfaction, the percentage of workers' representatives holding positive opinion has been 43.3%, 3.3%, 13.3%, 16.7% and 6.7% respectively as against their percentage 26.7%, 10%, 60%,

43.3% and 43.3% holding no impact opinion and 30%, 86.7%, 26.7%, 40% and 50% respectively holding 'uncertain' opinion with none of them holding negative opinion for any item.

Views of the mass of workers regarding the impact of participative management :

It has been found that on average a majority of mass of workers i.e. 61.3% held uncertain opinion about the impact of the participation on production and efficiency. Then none of them held negative opinion on this aspect, 19.9% of them considered there was positive impact and small minority of them viz. 18.8% on average there was no impact regarding this impact. Then for labour and welfare 16.7% of them held positive opinion, 44.8% held the opinion of no impact while no one at all held negative opinion and 38.5% of them on average were uncertain about it. For industrial relation 24.1% of them held positive opinion, a majority of 59.9% held opinion of no impact while none of them held negative opinion and a small minority of 16% was uncertain about it. For the sense of alienation, while 10.9% held positive opinion and none held negative opinion, a majority of them viz., 53.5% held the no impact opinion and 35.6% of them were uncertain regarding this impact.

The opinion on the dimension production and efficiency, as is apparent from table has been positive within the range of 5.5% for absenteeism to 33.5% for the improvement of quality of output. Their percentage holding positive opinion for optimum utilisation of raw material, elimination of wastage, reduction in cost of production and increase in output were 24.5%, 23.5%, 17.5% and 15% respectively. For these items 48% of them for absenteeism, 72.5% of them and a majority of 57%, 55%, 61% and 74% of them for improvement of quality of output, optimum utilisation of raw material, elimination of wastage, reduction in cost of production and increase in output respectively were uncertain about the impact while none of them held the negative opinion for any item. 11%, 21.5%, 21.5%, 18.5%, 18.5% and 22% of them held no impact about the impact of increase in output, reduction in cost of production, elimination of wastage, optimum utilisation of raw material improvement of quality of output and reduction in absenteeism respectively.

For the dimension of labour and welfare a small minority of mass of workers viz., 8.5%, 25% and 16.6% of them were positive opinion about the impact on improvement in working condition, safety, health and welfare respectively as against

35.5%, 35.5% and 63.5% of them holding 'no impact' opinion. Again while none of them held negative opinion and a percentage of 56%, 39.5% and 20% held uncertain opinion.

With regard to industrial relations a majority of 6.7%, 40%, 67.5% and 65% of them holding no impact opinion about the impact on improvement in general discipline, resolution of grievances and disputes, improvement in communication between management and workers and improvement in cordial and cooperative relations between management and workers respectively, the percentage of mass of workers holding positive opinion has been 12%, 38.5%, 16.5% and 29.5% respectively as against their percentage of 21%, 21.5%, 16% and 5.5% respectively holding uncertain opinion with none of them holding negative opinion for any item.

For sense of alienation the items under this dimension viz. increase in work sense of responsibility, reduction in workers attitude of resistance to change and sense of powerlessness, increase in the workers sense of involvement in work/factory and satisfaction, their percentage giving positive opinion for these items were 27%, 12.5%, 5.5%, 30% and 16.7% respectively. Then their percentage holding no impact opinion for these items were 46%, 15%, 61%, 84% and

81.5% respectively, 27%, 72.5%, 33.5%, 13% and 32% of them were uncertain about the impact of these respective items, while no one have negative opinion for any items.

Views of the management representatives regarding the impact of participative management :

On the average of 13.3% the management representatives held positive opinion about the impact on production, then 37.8% held no impact and none of them held negative opinion on this regard while a majority 48.9% of management representatives were uncertain about this impact. For the labour and welfare 41.1% of management representatives held positive opinion, 12.2% of them considered that there was no impact while none of them held negative opinion. A majority of 46.7% of them were uncertain about it. For the industrial relation on average 22.5% held positive opinion, no one at all held negative opinion, while 27.5% held no impact opinion and on majority 50% of them were uncertain about this impact. For the sense of alienation while 22% of them held positive opinion and none of them held negative opinion about the impact, 34% of them held no impact opinion and a majority 44% of them were uncertain about it.

For production and efficiency, a majority of management representatives i.e. 56.7%, 40%, 53.3%, 50%, 56.7% and 36.7% were uncertain about the impact of increase in output, reduction in cost of production, elimination of wastage, optimum utilisation of raw material, improvement in quality of output and reduction in absenteeism respectively, while 23.3%, 36.7%, 33.3%, 43.3%, 33.3% and 56.7% of them held no impact opinion against a small minority of them viz. 23.3%, 13.4%, 6.7%, 10% and 6.6% held positive opinion for these respective items. None of them held negative opinion for any aspect.

In the concern of labour and welfare table shows that a majority of management representatives viz. 50%, 56.7% and 33.3% were uncertain about the impact of improvement in working conditions, safety, health and welfare respectively against a very small minority of them viz., 13.3%, 13.3% and 10% holding no impact opinion for those respective aspects 36.7%, 25% and 56.7% of them held positive opinion and none of them held negative opinion about this impact.

Regarding industrial relations, there has been uncertainty within the range of 43.3% for improvement in general discipline and for resolution of grievances and disputes to 60% for improvement in communication between workers and

management. Their percentage holding uncertain opinion for improvement in cordial and cooperative relations between workers and management is 53.4%. 10% of them, 36.7%, 30% and 13.3% of them for improvement in general discipline, resolution of grievances and disputes, improvement in communication between workers and management and improvement in cordial and cooperative relations between workers and management respectively were positive about the impact while 46.7%, 20%, 10% and 33.3% of management representatives held no impact opinion about the impact and no one held the negative opinion for this impact.

With regard to elimination of sense of alienation for the five aspects under this dimension, viz., increase in workers sense of responsibility, reduction in workers attitude of resistance to change and sense of powerlessness, increase in workers sense of involvement in work/factory and satisfaction the percentage of management representatives holding positive opinion has been 20%, 3.3%, 46.7%, 16.7% and 23.3% respectively as against their percentage of 40%, 46.7%, 10%, 46.7% and 26.5% holding no impact opinion and 40%, 50%, 43.3%, 13% and 50% respectively were uncertain about the impact, none of them holding negative opinion for any aspects.

Hurdles to Participation :

The exhaustive analysis of the organisation and functioning and functional management councils and joint management council brought the following as the main factors leading to the unsuccessful working of these councils:

- i) No knowledge about significance of participative scheme between representatives of workers and management.
- ii) Lack of complete faith and sincere belief among the workers in the usefulness due to advisory nature of these councils.
- iii) No statutory provisions to form labour union at the factory levels, and therefore, no representation of the trade union in the FMCs and JMC.
- iv) No sharing of information with the members of the councils particularly workers representatives about the various aspects of ITI Ltd.
- v) There is a limited scope of discussion. In ITI Ltd. a large number of issues were related to welfare matters only.
- vi) Managements' apathetic attitude towards nominating their representatives, accepting and implementing decisions of the functional management councils and joint management council as an important hurdle.

- vii) No machinery to enforce the decisions of these councils daisty.
- viii) There is fear of victimisation. The success of participative management depends on free and frank discussions in councils meetings. In ITI, the workers' representatives feel that direct or indirect action will be taken against them if they express critical opinion about the functioning of ITI Ltd.
- ix) ITI allows, representative participation and not total participation. Participation is only of consultative level and not a decisive level, i.e., different forums work in an advisory capacity.

To sum up, the discussion, participative management in ITI has been introduced in terms of the government scheme. Workers and management did not discuss its need or utility. The scope and jurisdiction are ambiguous and lack precise demarcation. The result is that a labour welfare approach or human relations approach has been followed. It implies that workers are given a feeling of participation rather than actually participating in real management.

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CHAPTER 6

CONCLUDING OBSERVATIONS

AND

RECOMMENDATIONS

CONCLUDING OBSERVATIONS AND RECOMMENDATIONS

Participative Management is a process of creating opportunities under suitable conditions for people to influence decision affecting them. Thus, it is mental and emotional involvement of a person in a group situation which encourages him to contribute to group goals and share responsibility in them.

Participative management in both a philosophy as well as a tool of management. As a philosophy of management it recognises the potentials of non-managerial employees to contribute in the management of the unit. As a tool it involves group decision-making information sharing and self-control and direction base on accurately defined measurements.

It has been amply established by various behavioural researches that participation leads to commitment to organisational objectives and motivates non-managers by providing them an opportunity to satisfy their higher level needs. Thus, it has become almost a fad and is advocated by many as a panacea for eliminating all conflicts and disagreements, in all situations. But such sort of assertion is idealistic rather than a reality. The effectiveness of participation is a

consequence of a managerial point of view which includes confidence in the potentialities of subordinates awareness of managements, dependency downwards and a desire to avoid some of the negative consequence of emphasis on personal authority.

As a motivational device, participation is practised in various countries in different forums, its degree in terms of subordinates influence over decision making also varies from country to country and unit to unit in the same country. It varies from giving information to employees regarding the organisation to group decision making and workers' control of the enterprise.

Participative management has economical social and political goals. Different countries have chosen specific modelities to implement it. In western countries participative management is practised as 'consultative management' whereas in Yugoslavia it is implemented in form of "workers self management". In Germany participation allowed through co-determination "Mitbestimurg". Evidently, it is clear that there may be various forms and levels of participation and a country will have to choose that level and modelity which suits to it considering its socio-political ideology and other constraints.

Participational scope refers to subjects covered under the scheme. Effectiveness of participation does not depend on its scope alone, its quality is also equally important i.e. whether participation is explanatory, representative or total. In explanatory participation there is no real participation, only explanations are given to workers. In representative participation workers participate through their elected/nominated representatives. But in total participation all workers participate. This participation is most effective whereas participation of second level is less effective and participation of first level is least effective. There are different levels of participative management. It may be informational, consultative, associative, administrative or decisive. As the level of participation improves its effectiveness also increases. This decisive participation is most effective and informative participation is least effective.

There are various schools of participation viz., Reformistic school, Marxist school, syndicalist school and integrative unity of business school is most preferable in a country like India which has adopted democracy and socialism as its economical and political goal to be achieved through a mixed economy. This school emphasises the integration of both

individual and organisations goal and thus optimises the organisational effectiveness.

In fact, participative management will not be successful in an organisation having a philosophy of rational system model only. In 'social system model' for the introduction of participative management there should be a favourable attitude between superiors and participative management and subordinates must be capable of taking part in participative management so that they may be psychologically involved in achieving the goal of an organisation. Thus there should be a congenial atmosphere in total.

The Industrial Disputes Act, 1947, heralded the introduction of workers' participation in India. Section 3 II of this act has provided for the setting up of works committees in all undertakings employing 100 or more workers to discuss matters of common interest or concern and to promote measures for maintaining cordial relations between management and workers.

In 1948 and then 1956, Industrial Policy Resolutions emphasised the need for workers' participation in management.

The Second Five Year Plan stated that increased

association of labour with management is necessary for the successful implementation of the plan.

The Third and Fourth Five Year Plans reaffirmed the value of joint management councils and called for their introduction in public as well as private undertakings.

Government of India set up a tripartite committee on September 24, 1977. This committee suggested a flexible system of participative management to suit the requirements of different undertakings. A seminar was held on labour management cooperation in 1958, which approved establishing a joint management council. Joint management councils were to be consulted on matters like general administration of standing orders, introduction of new methods of production, closure of cessation of operations etc. The second seminar on labour management cooperation (1960) suggested criteria to judge success or failure of Joint Management Council.

Again, The Union Ministry of Labour set up a study group in order to investigate and report the working of the JMC in 1962. It was recommended that more stress should be laid on the workers' education then involvement in the middle management personnel and with more emphasis on sharing information.

Inspite of the failure of JMCs, the Central Government included another scheme known as 'Participation of workers in Industries' as part of the 20 point economic programme announced soon after declaration of the emergency. The scheme was voluntary and provided for formation of shop and joint councils. The scheme was kept flexible to allow for variation to suit local conditions.

An effort was made in the scheme to eliminate non-workers leaders' influence in the working of the shop and joint councils. The shop council was expected to suggest measures for increasing production, productivity and overall efficiency of the shop/department where as the joint council was to suggest optimum production efficiency and productivity norms for the unit as a whole.

The Government of India introduced a new comprehensive scheme of workers' participation in the central public undertakings in Dec. 1983. The scheme envisages workers' participation in management at the shop floor and plant level in all the central public sector undertakings. The scheme also provides for participation at the Board level in some selected central public sector undertakings. The scheme was recommended to the state Governments for introduction in the state public

sector undertakings and the private sector undertakings were advised to adopt it.

The function of shop level council cover the production facilities, storage facilities in a shop materials economy, operational problems, quality improvement cleanliness, monthly targets and production schedules, cost reduction programmes, formulation and implementation of work system design, group working and welfare measures related particularly to the shop etc.

At the plant level the function of the council cover the operational areas, economic, financial, personal matters and welfare areas including environment etc.

The workers are to participate in all Board functions one of the special functions assigned at board level is to review the work of the shop and plant level participating forums. The scope of the functions can be modified by mutual consensus between workers and management. In order to observe and to monitor implementation of its working and to suggest remedial measures, a tripartite machinery was set up in the department of labour.

The purpose of the present research is to make an

intensive study of the workers' participation in the management of public enterprises of India. For this purpose ITI Ltd. a public enterprise has been chosen. The study has mainly focussed on the organisation and working effectiveness of the participative scheme established in ITI Ltd. Further attempt has been made to understand the attitudes of the workers, workers' representatives and management representatives of the functional management councils and JMC in respect of the forms and degree of existing desired participation as well as the degree of management representatives' acceptance for participation in different areas of decisions selected. The types of the forums of participation preferred by the respondents have also been identified. However the focus of the study is with particular reference to the worker.

A survey of the relevant literature was also undertaken. As the study concerning with the present state of participative patterns prevailing in ITI explores the facts in respect of the different aspects of participative culture. The research design followed for this study was of descriptive-cum-explorative based on survey.

Systematic stratified sample of 200 workers were drawn ITI Ltd. a public sector. For workers and management represen-

tatives to the joint council and FMCs, whole population was covered which comprised 10 and 20 representatives from each of workers and management sides in ITI Ltd. Naini.

Informal interviews were also taken from managerial personnel, leaders of political parties, secretary of council and leaders of trade union to understand the major barriers for participation and obtain suggestions for its promotion. The data were analysed on the basis of percentage. -

Main Findings :

The analysis of the organisation and functioning of participative forums brought out the following findings:

1. A two-tier scheme of workers' participation in management has been introduced in ITI, Naini, in pursuance of scheme of participative management formulated by Government of India.
2. ITI Ltd. is one of the biggest concerns employing 4,692 persons out of which 3,249 employees are workshop workers, 400 are in managerial personnel and 1043 are in class III employees. It has a staff council consisting of representatives of the workers and the management which are like a works committee. Although officially the staff council does not form or part of participative management

scheme, its functions and constitution amply indicate that it is basically a mechanism of participative management.

3. According to Government model, ITI has three functional management councils at micro (shop floor) level organised in divisional basis and one JMC at the macro level (plant level) besides other joint bodies such as sports, canteen, safety, sanitation, hospital, provident fund committees etc. which, in fact, due to their advisory status do not promote any participative spirit. The concern has free from strike.
4. The study of social background of the mass of workers and their representatives as well as those of management to FMCs and JMC of ITI Ltd. has revealed that a majority of mass of workers (55%) and their representatives to the FMCs and JMC (75% and 66.6%) have been in the 30 to 40 age group and a majority of management representatives to these councils respectively 45% and 46.7% were in the higher age group viz. 40 to 50 years. Regarding ecological background majority 67.5% of mass of workers and 70% their representatives to both the bodies belong to rural areas but majority 83.3% of management representatives belong to urban area. Regarding education

a small minority 5% of mass of workers having graduate level education and their representatives 26.6% of them to both the bodies having graduate level of education and no one of them having post graduate level education while a majority 60% of management representatives to both the bodies having graduate level education and 40% of them having post graduate level of education. Regarding income, the investigation revealed very high disparity in the income of the workers and management representatives to the FMCs and still highest between those belonging to JMC, with the mass of workers having income lower than that of their representatives. Regarding skill category, majority of mass of workers (60%) and the representatives to the FMC (80%) and JMC (60%) belonged to skilled category. Regarding status majority 80% of management representatives to JMC belonged to officers rank while in FMCs majority of them 70% belonged to supervisor rank.

5. With regard to organisational structure of participative management scheme ITI Ltd. has three functional management councils known as Transmission Equipment Division Council, Telephone Instrument division Council and Research and Development Division Council at micro (shop floor) level and one JMC at macro level (Plant level).

- 6(i) Regarding the functioning of FMCs and JMC taking up FMCs it was found that during three year under study in all the three divisions their meetings to the extent of only 54.6% were held. In 1986-87 52.8% of meetings were held while in 1987-88 and 1988-89 54.2% and 56.9% of meetings were held respectively. This situation cannot be said satisfactory.
- (ii) Regarding attendance, the attendance trend of workers representatives in councils meetings during the period under review revealed sharply fluctuating participation. The average attendance of management representatives percentage wise better than of workers representatives. For all the divisions put together the ratio of the attendance of workers and management representatives has been 57.1 : 80.7. For low attendance management representatives indicated cause like lack of interest and carelessness as well as absence of knowledge about the significance of the councils to the workers. For the workers' representatives the factor contributing to this was failure to receive timely notices, feeling that the councils are advisory and dominated by management and a consequence little hope that the decision taken would be implemented.

- (iii) Regarding quorum for the meetings, sometime meeting were held without quorum of the workers representatives. So far as management representatives are concerned their quorum was always complete.
- (iv) It was found that notices for these meetings. Some times were sent to individually but in general, notices were not served properly and timely. Regarding agenda preparation in beginning a system of pre meeting agenda preparation by the secretary of the FMC, this system was given up after some times, and the management representatives adopted the practice of asking the workers representatives to send the list of items to serve as agenda for meetings.
- (v) Regarding the issues raised in the meetings concerned, it was found that in the 118 meetings of FMCs studied 552 issues were raised and discussed, out of this 53.4% of issues were old issues and 46.3% issues were new issues. The aggregate position of all divisions put together has shown that on average out of 4.67 issues initiated and discussed per meeting, 2.51 referred to old items and 2.16 referred to new items. This trend of issues initiation of the meetings indicates that FMCs meetings lose their interest and prove boring because the deal in

a majority with old issues leaving a small area for dealing with new issues.

- (vi) So far as the subjectwise nature of the issue initiated and discussed is concerned the aggregate position of all the divisional council put together has shown that to the extent of 132 issues out of 256 issues related for production and productivity group, 106 accounted for welfare and working condition group, 10 related to miscellaneous group, 4 related to absenteeism and discipline respectively. Thus the issues concerning the production and productivity group were the highest in the number and the second position was of them concerning welfare and working condition group. For member wise initiation of issues in all the divisional councils out of 256 issues as much as 190 (74.2%) were raised by workers' representatives and only 66 (25.6%) were raised by management representatives. This finding shows that workers representatives have taken greater interest in the proceeding of the FMCs and have a sense of participation while on the other hand management representatives do not take these councils as an organ of participative management.

- (vii) Regarding decision making performance of FMCs, it was found that out of 256 issues 155 or 60.5% resulted in positive decisions, 80 or 31.3% in negative decisions, 21 i.e. only 8.2% were referred to JMC.
- (viii) It was found that out of 256 issues raised and discussed, 190 issues were initiated by workers' representatives and 66 by the management representatives. The analysis of data has shown that the suggestions made by the management representatives resulting in positive decisions has been higher, viz., 80.3% than those made by the workers' representatives i.e. 53.7%. Then it was also found that none of issues raised by management representatives was referred to JMC and while 11% of issues raised by workers representatives referred to JMC. This shows that the authority of the management representatives dominated over the power of the worker representatives.
- (ix) Regarding the implementation of positive decision, it was found that out of 155 positive decisions amounting 60.5% of the total issues raised and discussed, the implementation was done only the extent of 50.3% which is 1/3rd of issues raised and discussed. This is very disappointing condition of participative management because unimplemented decisions develop a sense of

frustration and disappointment amongst the workers.

- (x) Regarding the frequency of holding the meetings of JMC, it was found that out of 12 meetings required to be held in three years, 11, i.e., to the extent of 91.7% were held. In this way the performance of JMC has been satisfactory as compared to that of the FMCs.
- (xi) So far as the attendance in JMC meetings, is concerned, it has been lower in workers representatives (68.2%) than the management representatives (89.1%). Investigation into the reasons of low attendance by workers representatives in the JMC meetings have indicated that both type of member of JMC emphasised the same factors for low attendance which were held responsible in FMCs meetings.
- (xii) Regarding quorum it is remarkable that all the JMC's meetings were held with full quorum.
- (xiii) It was found that it has been prescribed that intimation of date, time and place of meeting shall be sent individually to its members 5 days before to the date of meetings. Investigation shows that mostly notices for the meetings are served individually two or three days in advance but generally it seems notices were not served according to provision.

- (xiv) Investigations revealed that agenda for these meetings is not prepared in advance. In ITI there is complete absence of any practice of the preparing pre-meeting agenda and, therefore, the notices for the meetings keep the members unaware of the matters to be discussed there and unprepared for giving proper data and thereby arriving at right decisions.
- (xv) Regarding initiations of issues in JMC meetings is concerned it was found that in JMC's 11 meetings studied 153 issues were raised and discussed out of this 96 (62.7%) issues were new issues and 57 (37.3%) issues were old issues. Then aggregate position has shown that on average out of 13.9 issues were raised per meeting 8.7j issues referred to new items and 5.2 issues referred to old items per meeting.
- (xvi) Regarding the subjectwise issues initiated, it was found that out of 96 new issues raised, 37 related to production and productivity group and 36 related to the welfare and working condition group, 16 to the miscellaneous group, 4 to absenteeism and 3 to the discipline group. Thus the issues concerning the production and productivity group were given top priority. The second position however was of the welfare

and working condition group.

(xvii) With regard to the party wise initiation of issues, it was found that out of 36 issues raised in 11 meetings majority of them i.e. 57 (59.4%) were initiated by workers representatives and 39 (40.6%) were raised by management representatives. Thus it shows that the extent of participation of workers representatives in JMC was much higher than that of the management.

(xviii) Then, regarding decision making performance of JMC, it was found that out of 96 issues dealt with 43 (44.8%) resulted positive decisions and 35 (36.5%) resulted negative decisions and remaining 18 (18.7%) resulted pending issues. Thus the decision making performance of JMC cannot be considered satisfactory because more than 1/2 of issues either resulted in negative decisions or kept pending for next meeting.

(xix) Regarding the implementation of positive decisions it was found that out of 96 issues discussed in 11 meetings during three year under study 43 (44.8%) resulted positive decisions and out of 43 decisions only 17 (39.5%) could be implemented. Thus it shows a poor record of implementation, it indicates that the management which is the prime implementation body has not taken upto JMC

as a significant organisation.

- (xx) Regarding impact of participation through the proceedings of FMCs and JMC on production and efficiency, labour and welfare, industrial relations and sense of alienation, it was found that on an average 27.8% of workers representatives held positive opinion about the impact of the participation on production, 11.7% held no impact opinion on this impact, none of them held negative opinion about it and a majority of 60.5% on average was uncertain about it. Then labour and welfare on average 14.5% of workers representatives held positive opinion about the impact, 24.4% held no impact opinion while none of them held negative opinion and a great majority 61.1% on average of them were uncertain about the impact. For industrial relation a majority 46.7% of workers representatives held their opinion 'uncertain' about the impact of industrial relation, none of them held negative opinion, 33.3% of them held no impact opinion and a small minority 21.1% them expressed their positive opinion about it. Then for sense of alienation while 16.7% of them held positive opinion, 36.7% held no impact opinion, none of them held negative opinion and 46.6% were uncertain about this impact.

So far as mass of workers is concerned on average 19.9% of them held positive opinion about the impact of production, no one of them held negative opinion, 18.8% of them held no impact opinion and a majority 61.3% of them were uncertain about it. For labour and welfare on average 16.7% of mass of workers held their positive opinion, none of them held negative opinion and a majority 44.8% of them held no impact and 38.5% of them were uncertain about the impact. Then for industrial relation a majority 59.9% of mass of workers held their opinion of no impact about it, none of them held negative opinion, 24.1% were positive about the impact of industrial relation and a small minority 16% of them held uncertain opinion in this regard. For sense of alienation a small minority 16.9% held positive opinion, none of them held negative opinion, a majority 53.5% of them expressed no impact opinion and 35.6% held their uncertain opinion.

Then for management representatives are concerned on average position, it is clear that a majority (48.9%) of them was uncertain about the impact of the participation on production none of them held negative opinion, 37.8% held no impact opinion and a small minority 13.3% on average held positive opinion about it. For labour welfare 41.1% on average

of them held positive opinion, 12.2% of them held the opinion of no impact, none of them held negative opinion and 46.7% of them on average was uncertain about its impact. For the industrial relation 1/2 or 50% of management representatives were uncertain about the impact, none of them held negative opinion, 27.5% of them considered that there was no impact opinion and only 22.5% held positive opinion regarding it. Then for sense of alienation on average 22% of them held positive opinion, none of them held negative view about the impact, 34% of them were considered that there was no impact and 44% was uncertain about it.

- (v) The respondents have identified the following factor as the major barriers of participative management scheme: lack of supportive climate in the organisation, poor communication channels, managerial practices and their functioning, inadequate base of collective bargaining, lack of government interest in promoting participative culture, incomprehensive legislative measures, political condition of country, lack of proper educational background of workers.

The above findings, highlighted that there is a need for integrated participative approach which can involve rank and

file workers in every day decision-making. The study showed that the greatest participation was demanded for shop floor decisions in which not only is it possible to involve most of the workers that also improve the quality of decisions, so that both the parties may benefit.

Recommendations :

Some important points have emerged from the study which may be considered by the management, workers and Government in making participative management a success and reality. They are as follows:

1. The enactment of legislation on participative management in the desired measure particularly after inclusion of Article 43-A in the Directive Principles of State Policy in the constitution (42 Amendment) of India. The tardy progress of the implementation of the present voluntary scheme, clearly indicated a need for legislative measures in this regard.

The proposed statutory enactment should provide for effective machinery for implementation of the proposed Act and deterrent punishment or penalty should be provided for defaulting employers.

2. In order to develop a feeling amongst workers' representatives, equal opportunities should be given to participate in the shop and joint councils, the Chairman and Joint Secretary should be nominated from the management or employers and the Vice-Chairman and Secretary should be elected from amongst the workers.
3. Mere consultation of the workers by the management will not prompt workers to take part effectively unless they feel that they can command influence over the different aspects of the management that affect them directly. Participative scheme should be used for joint decisions-making and not as consultative forum only. The decisions taken by the councils in the field of activity within the competence of the management should be treated as final and definite time should be specified for implementation of the decisions.
3. Meeting of these two councils should be held regularly, so that both the parties may continue taking interest in it.
4. Various matters to be dealt with by the councils should be clearly laid down.
5. Sharing of full information with the workers' representatives builds-up trust between the management and the

workers' representatives. It makes both the parties especially workers' representatives more responsible and mature in formulating their demands that what would be when they are kept in dark. To make the workers' representatives more acquainted with the real state of the organisation, sharing of full information is necessary which remove suspicion and negative attitude of each party.

6. For successful participation, change in attitude of both the parties, i.e., management and workers is necessary. This is what F.W. Taylor called 'Mental Revolution'. This study shows that the attitude of managers i.e., their negative participative disposition presents a severe constraints in participative management. Their 'colonial' and bureaucratic attitude must be changed. This is an educative process. But an element of compulsion should be introduced to motivate them to change their attitude. Following measures, if implemented will hasten the change process:

(A) Professionalisation of Management : In various public and private sector undertakings persons having professional education and training in management should be appointed. For

the present executives sufficiently long term training and reorientation programme should be organised. Short duration programme are inadequate to bring about such changes.

(B) Performance Appraisal : For promotion, traditional methods of performance appraisal emphasising achievement of short term physical and economic targets should be replaced by a broader system which includes executive's contribution in improving the organisational health. The success of an organisation depends upon its health and a manager's contribution in it should given adequate weight while considering him for promotion.

(C) Free Flow of Information : Workers' attitude will change a lot if they have free access to the correct information regarding internal "and external environment. If the information is withheld from the workers it will create suspicion in their mind and spoil the atmosphere of participative management. Therefore, it is very essential that proper arrangements are made to provide real time and relevant information to all the parties.

7. The social distance between representatives of the workers and management should be consciously bridged.

This can be achieved to some extent by frequent social gathering.

8. Strong trade union is one of the pre-requisites for the success of workers' participation in management. Statutory provision for the formation of labour organisation at the plant level is essential. The labour organisation should be statutorily given:
 - i) exclusive right of sole representation,
 - ii) exclusive right to enter into collective bargaining, and
 - iii) right to nominate trade union's representative on different council.
9. In organisations where a vast majority of workers are unaware of their rights and responsibilities, it is prime responsibility of the management to introduce education programme with a view to provide required knowledge and develop skill for effective participation in different aspects of the management decisions. Such education programme should cover basic information about participative management.
10. Government should encourage industries to initiate job redesigning, improvement in the quality of working life and such other scheme so that maximum member of rank and file workers will get involved indirect participation

methods at the shop level.

11. Management in the organisation should display more interest in suggestion schemes to create a feeling of participation to the mass of the workers in the different aspects of management. To make the scheme effective, incentive should be given in the form of recognition and monetary rewards for outstanding suggestions. The scope for what suggestions are to be invited, should be determined earlier. To establish workers' faith and belief towards the scheme a provision of the workers' representation for the selection of the outstanding suggestions should be made.
12. In order to make participative management a success, it is essential to define clearly the functions of participative forums. Therefore, the functional areas of participative forums and collective bargaining forums should be clearly demarcated and provision should also be made imposing a ban on transgression of each others' jurisdiction.
13. In order to develop advanced managerial skills and change deep rooted paternalism and bureaucratism in the management, a highly professional trained and equipped managerial cadre with sufficient abilities and

capabilities of managing human resource in the enterprise should be appointed.

14. More autonomy should be given to the public sector organisations and there should be less interference from the concerned ministries and departments in day-to-day running of the organisation.

In the light of the above findings, recommendations, concerted efforts should be made for the promotion of participative management in all the public enterprises of the country. The lessons learnt from this study would help other organisations to take necessary steps in this direction. The Government and management of public enterprises must see that the scheme gets desired success so that the management of private enterprises may be encouraged to emulate it. It requires sufficient will power and change in the attitude of management as well as workers of such enterprises to attain the desired level of success in establishing industrial democracy in the country.

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